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District of Columbia Appropriations...

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SUBCOMMITTEE OF THE

COMMITTEE ON APPROPRIATIONS

HOUSE OF REPRESENTATIVES

ONE HUNDRED THIRD CONGRESS

FIRST SESSION

SUBCOMMITTEE ON DISTRICT OF COLUMBIA APPROPRIATIONS

JULIAN C. DIXON, California, *Chairman*

LOUIS STOKES, Ohio
RICHARD J. DURBIN, Illinois
MARCY KAPTUR, Ohio
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HENRY BONILLA, Texas

AMERICO S. MICONI, *Staff Assistant*

DEC 17 1993

PART 2

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Education	1990
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HEARINGS

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FREDERICK G. MOHRMAN, *Clerk and Staff Director*

DISTRICT OF COLUMBIA APPROPRIATIONS FOR FISCAL YEAR 1994

WEDNESDAY, MAY 26, 1993.

FINANCIAL CLUSTER

WITNESSES

ELLEN M. O'CONNOR, CHIEF FINANCIAL OFFICER, OFFICE OF THE DEPUTY MAYOR FOR FINANCE
LINDA M. CHEATHAM, DIRECTOR, OFFICE OF THE BUDGET
N. ANTHONY CALHOUN, D.C. CONTROLLER, OFFICE OF FINANCIAL MANAGEMENT
MARIA DAY-MARSHALL, D.C. TREASURER, OFFICE OF FINANCIAL MANAGEMENT
SHARON MORROW, DIRECTOR, DEPARTMENT OF FINANCE AND REVENUE

TABLE IV.—SUMMARY OF APPROPRIATED EXPENDITURES BY AGENCY, INCLUDING FY 1993 SUPPLEMENTAL, FISCAL YEARS 1992–1994

[Amounts in thousands of dollars]

Agency	1992 actual		1993 appropriations		Supplemental		1993 revised		1994 proposed	
	FTE's	Amount	FTE's	Amount	FTE's	Amount	FTE's	Amount	FTE's	Amount
Governmental Direction and Support:										
Council	166.8	8,114	172.0	9,006	0.0	(353)	172.0	8,653	172.0	9,059
District of Columbia Auditor	14.1	944	15.0	832	0.0	229	15.0	1,061	15.0	1,061
Advisory Neighborhood Commissions	0.0	1,165	0.0	1,172	0.0	0	0.0	1,172	0.0	1,172
Office of the Mayor	21.8	1,319	23.0	1,320	0.0	(88)	23.0	1,232	23.0	1,300
Office of the Secretary	26.1	2,530	35.0	2,445	0.0	(65)	35.0	2,380	35.0	2,400
Office of Inspector General	18.1	1,275	24.0	1,393	(7.0)	(50)	17.0	1,343	17.0	1,363
Office of Communications	8.1	410	9.0	359	0.0	60	9.0	419	9.0	427
Intergovernmental Relations	22.9	1,229	22.0	1,286	0.0	(83)	22.0	1,203	22.0	1,270
Deputy Mayor for Operations/City Administrator	22.4	2,218	29.0	11,345	(1.0)	(1,447)	28.0	9,898	28.0	11,079
Office of Personnel	286.9	15,023	312.0	14,143	(26.0)	(1,249)	297.0	12,894	286.0	13,023
Department of Administrative Services	319.0	22,770	380.0	26,262	(50.0)	12,756	380.0	39,018	330.0	29,375
Contract Appeals Board	6.7	530	7.0	475	0.0	149	7.0	624	7.0	661
Deputy Mayor for Finance	2.6	141	3.0	142	0.0	(11)	3.0	131	3.0	144
Office of the Budget	22.9	1,248	25.0	1,467	(5.0)	15	24.0	1,482	20.0	1,146
Office of Financial Management	224.5	14,295	246.5	14,617	7.0	479	253.5	15,096	253.5	15,792
Department of Finance and Revenue	525.3	22,787	551.1	23,450	(38.5)	(1,343)	540.6	22,107	512.6	22,255
Board of Elections and Ethics	42.3	3,312	50.3	2,651	0.0	(18)	50.3	2,633	50.3	2,438
Office of Campaign Finance	20.7	1,054	23.0	1,061	0.0	(53)	23.0	1,008	23.0	1,049
Public Employee Relations Board	4.1	427	4.0	494	0.0	34	4.0	528	4.0	541
Office of Employee Appeals	22.4	1,239	23.0	1,271	0.0	574	23.0	1,845	23.0	1,897
Retirement Board	13.5	24	0.0	0	0.0	0	0.0	0	0.0	0
Council of Governments	0.0	400	0.0	400	0.0	0	0.0	400	0.0	400
Statehood Commission	0.0	0	0.0	0	0.0	100	0.0	100	0.0	200
Grants Management [1]	10.7	1,055	0.0	778	0.0	(41)	4.0	737	0.0	491
Total, Governmental Direction and Support	1,801.9	103,509	1,953.9	116,369	(120.5)	9,595	1,930.4	125,964	1,833.4	118,543
Economic Development and Regulation:										
Deputy Mayor for Economic Development	16.1	1,399	14.0	962	1.0	(52)	14.0	910	15.0	1,062
Banking and Financial Institutions	0.0	0	8.0	662	0.0	(4)	8.0	658	8.0	662
Office of Tourism and Promotion	0.0	0	0.0	0	5.0	0	0.0	0	5.0	261
Office of Planning	48.6	2,709	44.0	2,585	(2.0)	675	42.0	3,260	42.0	3,362
Office of Zoning	6.0	459	12.0	530	(2.0)	(10)	12.0	520	10.0	423
Housing and Community Development	44.1	7,479	48.0	8,319	(2.0)	339	42.0	8,658	46.0	18,929
Public and Assisted Housing	48.2	24,846	20.0	21,216	(20.0)	(7,436)	20.0	13,780	0.0	0
Department of Employment Services	299.3	26,203	308.9	28,793	(18.0)	(850)	308.9	27,943	290.9	26,530
Office of Business and Economic Development	31.7	2,508	28.0	3,342	(27.0)	(266)	28.0	3,076	0.0	0
International Business [2]	5.5	395	5.0	357	0.0	(13)	4.0	344	0.0	0

[1] Appropriated in FY 1993 under "Public Safety and Justice" for "Office of Criminal Justice Plans and Analysis".

[2] This office was transferred into the Office of Business and Economic Development in FY 1993. The appropriation was for 6 FTE's and $375,000 instead of 5 FTE's and $357,000 as shown.

TABLE IV.—SUMMARY OF APPROPRIATED EXPENDITURES BY AGENCY, INCLUDING FY 1993 SUPPLEMENTAL, FISCAL YEARS 1992–1994—Continued

[Amounts in thousands of dollars]

Agency	1992 actual		1993 appropriations		Supplemental		1993 revised		1994 proposed	
	FTE's	Amount	FTE's	Amount	FTE's	Amount	FTE's	Amount	FTE's	Amount
Economic Development and Regulation—continued:										
Housing Finance Agency	0.0	966	0.0	0			0.0	0	0.0	0
Board of Appeals and Review	1.1	150	2.0	135	0.0	33	2.0	168	2.0	149
Board of Equalization and Review	1.0	220	5.0	324	0.0	(42)	4.0	282	5.0	325
Consumer and Regulatory Affairs	578.1	28,330	605.0	27,434	(42.0)	(1,658)	562.0	25,776	563.0	25,223
Public Service Commission	76.6	4,974	86.0	5,673	2.0	(193)	86.0	5,480	88.0	5,686
People's Counsel	30.0	2,176	36.0	2,556	2.0	(63)	36.0	2,493	38.0	2,736
Total, Economic Development and Regulation	1,186.3	102,814	1,221.9	102,888	(103.0)	(9,540)	1,168.9	93,348	1,112.9	85,348
Public Safety and Justice:										
Metropolitan Police Department	5,099.1	240,330	5,881.0	250,950	(433.8)	2,516)	5,882.0	248,434	5,447.3	227,950
Fire & Emergency Medical Services Department	1,672.9	96,102	2,021.0	92,650	38.0	(6,187)	2,021.0	86,463	1,821.0	77,485
Police and Fire Retirement	0.0	165,800	0.0	188,200	0.0	0	0.0	188,200	0.0	202,800
Judges Retirement	0.0	4,000	0.0	4,300	0.0	0	0.0	4,300	0.0	4,800
Court of Appeals	78.8	5,106	88.0	6,041	0.0	0	88.0	6,041	88.0	6,041
Superior Court	1,223.4	65,226	1,264.0	73,098	0.0	(0)	1,264.0	73,098	1,264.0	76,040
D.C. Court System	101.3	22,599	97.0	24,844	0.0	0	97.0	24,844	97.0	29,358
Office of the Corporation Counsel	215.0	13,775	236.0	13,949	20.0	(503)	236.0	13,446	256.0	14,679
Settlements and Judgments	0.0	13,991	0.0	13,500	0.0	5,000	0.0	18,500	0.0	13,500
Public Defender Service	0.0	7,188	154.0	7,451	0.0	(421)	154.0	7,030	154.0	7,399
Pretrial Services Agency	78.4	3,119	83.0	3,124	6.0	(156)	83.0	2,968	89.0	3,424
Department of Corrections	3,964.1	246,876	4,376.0	255,864	(212.0)	(8,197)	4,376.0	247,667	4,164.0	230,384
Board of Parole	94.9	5,280	110.6	5,414	0.0	1,227	110.6	6,641	110.6	5,800
National Guard	34.9	1,230	37.0	1,250	0.0	(52)	37.0	1,198	37.0	1,250
Office of Emergency Preparedness	45.9	2,392	53.0	2,542	(6.5)	(106)	53.0	2,436	46.5	2,073
Judicial Disabilities and Tenure	2.0	128	2.0	130	0.0	(5)	2.0	125	2.0	131
Judicial Nomination Commission	0.0	24	0.0	36	0.0	0	0.0	36	0.0	36
Civilian Complaint Review Board	9.9	891	24.0	1,430	0.0	3	24.0	1,433	24.0	1,400
Total, Public Safety and Justice	12,620.6	894,057	14,426.6	944,773	(588.3)	(11,913)	14,427.6	932,860	13,600.4	904,550
Public Education System:										
Public Schools	9,545.9	519,599	11,967.0	513,552	(883.0)	(2,270)	11,967.0	511,282	11,084.0	517,682
Pay-As-You-Go Capital (Public Schools)	0.0	2,625	0.0	0	0.0	0	0.0	0	0.0	0
Teachers Retirement	0.0	84,200	0.0	98,800	0.0	0	0.0	98,800	0.0	98,600
University of the District of Columbia	973.1	73,495	1,402.0	71,995	(87.0)	(4,199)	1,382.0	67,796	1,315.0	65,739
D.C. School of Law	36.7	4,293	0.0	4,500	65.0	0	65.0	4,500	65.0	4,500
Education Licensure Commission	5.2	452	9.0	240	(4.0)	246	5.0	486	5.0	492
Public Library	433.4	20,726	463.0	20,978	(1.0)	(964)	462.0	20,014	462.0	21,260

TABLE IV.—SUMMARY OF APPROPRIATED EXPENDITURES BY AGENCY, INCLUDING FY 1993 SUPPLEMENTAL, FISCAL YEARS 1992–1994—Continued

[Amounts in thousands of dollars]

Agency	1992 actual		1993 appropriations		Supplemental		1993 revised		1994 proposed	
	FTE's	Amount	FTE's	Amount	FTE's	Amount	FTE's	Amount	FTE's	Amount
Public Education System—continued:										
Commission on Arts and Humanities	8.4	3,322	13.0	3,527	0.0	(70)	13.0	3,457	13.0	3,540
Total, Public Education System	11,002.7	708,712	13,854.0	713,592	(910.0)	(7,257)	13,894.0	706,335	12,944.0	711,813
Human Support Services:										
Department of Human Services	4,970.5	791,366	5,540.0	750,423	(444.0)	70,771	5,742.0	821,195	5,096.0	795,320
Department of Recreation and Parks	794.3	27,717	876.6	30,015	(205.8)	(352)	960.6	29,663	670.8	25,581
Office on Aging	15.7	12,774	18.0	13,751	1.0	(31)	19.0	13,720	19.0	14,061
D.C. General Hospital Subsidy	0.0	69,010	0.0	59,510	0.0	(742)	0.0	58,768	0.0	48,035
Unemployment Compensation	0.0	7,068	0.0	7,944	0.0	(900)	0.0	7,044	0.0	7,944
Disability Compensation	0.4	24,501	0.0	19,015	0.0	0	0.0	19,015	0.0	17,905
Human Rights and Minority Business Development	44.4	2,503	58.0	2,394	(12.0)	(129)	48.0	2,265	46.0	2,218
Office on Latino Affairs	11.3	1,269	13.0	1,370	0.0	(34)	13.0	1,336	13.0	1,375
Commission for Women	6.7	297	8.0	355	0.0	(13)	8.0	342	8.0	348
Commission for Men	0.0	0	0.0	0	0.0	0	0.0	0	0.0	50
D.C. Energy Office	11.1	2,507	2.0	2,000	0.0	(20)	2.0	1,980	2.0	1,993
Trauma Care Fund [1]	0.0	0	0.0	5,562	0.0	0	0.0	5,562	0.0	0
Total, Human Support Services	5,854.4	939,012	6,515.6	892,339	(660.8)	68,550	6,792.6	960,890	5,854.8	914,830
Public Works:										
Department of Public Works	1,435.5	96,356	1,540.0	94,706	(210.0)	(3,209)	1,311.0	91,497	1,330.0	82,817
Taxicab Commission	27.1	1,423	33.0	1,576	0.0	(62)	33.0	1,514	33.0	1,592
Washington Metropolitan Area Transit Commission	0.0	96	0.0	96	0.0	0	0.0	96	0.0	96
Washington Metropolitan Area Transit Authority	0.0	98,973	0.0	126,894	0.0	0	0.0	126,894	0.0	126,894
School Transit Subsidy	0.0	4,387	0.0	4,350	0.0	0	0.0	4,350	0.0	4,350
Total, Public Works	1,462.6	201,235	1,573.0	227,622	(210.0)	(3,271)	1,344.0	224,351	1,363.0	215,749
Financing and Other Uses:										
Washington Convention Center	0.0	12,550	0.0	13,250	0.0	0	0.0	13,250	0.0	12,850
Repayment of Loans and Interest	0.0	316,580	0.0	291,299	0.0	57,388	0.0	348,687	0.0	351,285
Repayment of General Fund Recovery Debt	0.0	0	0.0	38,342	0.0	(38,342)	0.0	0	0.0	0
Optical and Dental Benefits	0.0	3,309	0.0	3,423	0.0	0	0.0	3,423	0.0	3,423
Pay Adjustment	0.0	0	0.0	0	0.0	7,880	0.0	7,880	0.0	70,680
Employee Furlough	0.0	0	0.0	(36,000)	0.0	36,000	0.0	0	0.0	0
Within-Grade Adjustment	0.0	0	0.0	(13,000)	0.0	13,000	0.0	0	0.0	0
Downsizing Expenses	0.0	4,042	0.0	0	0.0	225	0.0	225	0.0	0
Inaugural Expenses	0.0	0	0.0	5,514	0.0	0	0.0	5,514	0.0	0
Facilities Rent/Leases	0.0	12,842	0.0	16,682	0.0	(16,682)	0.0	0	0.0	0

[1] Appropriated in FY 1993 as separate appropriation title.

TABLE IV.—SUMMARY OF APPROPRIATED EXPENDITURES BY AGENCY, INCLUDING FY 1993 SUPPLEMENTAL, FISCAL YEARS 1992–1994—Continued

[Amounts in thousands of dollars]

Agency	1992 actual		1993 appropriations		Supplemental		1993 revised		1994 proposed	
	FTE's	Amount	FTE's	Amount	FTE's	Amount	FTE's	Amount	FTE's	Amount
Financing and Other Uses—continued:										
Personal and Nonpersonal Services Adjustments	0.0	0	0.0	(30,798)	0.0	30,798	0.0	0	0.0	0
Severance Pay	0.0	0	0.0	0	0.0	10,410	0.0	10,410	0.0	0
Total, Financing and Other Uses	0.0	349,323	0.0	288,712	0.0	100,677	0.0	389,389	0.0	438,238
Total, General Fund Operating	33,928.5	3,298,662	39,545.0	3,286,295	(2,592.6)	146,841	39,557.5	3,433,137	36,708.5	3,389,071
Enterprise Funds:										
Department of Public Works	1,091.1	192,175	1,455.0	233,538	64.0	(28,765)	1,459.0	204,773	1,519.0	221,770
Washington Aqueduct	275.0	16,164	284.0	18,092	(17.0)	0	284.0	18,092	267.0	19,159
Lottery & Charitable Games Board	119.4	8,383	124.0	8,450	0.0	(270)	124.0	8,180	124.0	7,168
Office of Cable Television	16.2	1,842	27.0	2,500	0.0	(265)	27.0	2,235	27.0	2,353
Total, Enterprise Funds	1,501.7	218,564	1,890.0	262,580	47.0	(29,300)	1,894.0	233,280	1,937.0	250,450
Total, Operating Expenses	35,430.2	3,517,226	41,435.0	3,548,875	(2,545.6)	117,541	41,451.5	3,666,417	38,645.5	3,639,521
Capital Outlay:										
General Fund:										
Office of the City Administrator/Deputy Mayor for Operations	0.0	3,830	0.0	0	0.0	0	0.0	0	0.0	0
Office of Personnel	0.0	0	0.0	3,200	0.0	0	0.0	3,200	0.0	0
Department of Administrative Services	0.0	30,000	0.0	117,751	0.0	0	0.0	117,751	0.0	500
Office of Financial Management	0.0	4,000	0.0	0	0.0	0	0.0	0	0.0	7,000
Department of Finance and Revenue	0.0	1,700	0.0	8,400	0.0	0	0.0	8,400	0.0	6,000
Office of Campaign Finance	0.0	170	0.0	0	0.0	0	0.0	0	0.0	213
Office of the Deputy Mayor for Economic Development	0.0	0	0.0	1,300	0.0	0	0.0	1,300	0.0	28,180
Department of Housing and Community Development	0.0	5,000	0.0	1,200	0.0	0	0.0	1,200	0.0	6,864
Department of Public and Assisted Housing	0.0	(8,739)	0.0	0	0.0	0	0.0	0	0.0	11,594
Office of Business and Economic Development	0.0	(116)	0.0	(100)	0.0	0	0.0	(100)	0.0	0
Metropolitan Police Department	0.0	(2,605)	0.0	5,555	0.0	0	0.0	5,555	0.0	0
Fire and Emergency Medical Services Department	0.0	(5,744)	0.0	0	0.0	0	0.0	0	0.0	4,000
D.C. Court System	0.0	6,999	0.0	23,789	0.0	0	0.0	23,789	0.0	0
Department of Corrections	0.0	139,993	0.0	45,000	0.0	0	0.0	45,000	0.0	(145,800)
Office of Emergency Preparedness	0.0	0	0.0	0	0.0	0	0.0	0	0.0	4,500
Public Schools	0.0	(7,227)	0.0	28,000	0.0	0	0.0	28,000	0.0	53,000
University of the District of Columbia	0.0	2,928	0.0	31,800	0.0	200	0.0	32,000	0.0	(2)
Public Library	0.0	1,841	0.0	2,500	0.0	0	0.0	2,500	0.0	500

TABLE IV.—SUMMARY OF APPROPRIATED EXPENDITURES BY AGENCY, INCLUDING FY 1993 SUPPLEMENTAL, FISCAL YEARS 1992–1994—Continued

[Amounts in thousands of dollars]

Agency	1992 actual		1993 appropriations		Supplemental		1993 revised		1994 proposed	
	FTE's	Amount	FTE's	Amount	FTE's	Amount	FTE's	Amount	FTE's	Amount
Capital Outlay—continued:										
General Fund—continued:										
Department of Human Services	0.0	3,190	0.0	(10,356)	0.0	0	0.0	(10,356)	0.0	2,000
Department of Recreation and Parks	0.0	9,998	0.0	(5,250)	0.0	0	0.0	(5,250)	0.0	22,272
Office on Aging	0.0	(1,865)	0.0	0	0.0	0	0.0	0	0.0	2,395
D.C. General Hospital	0.0	7,571	0.0	19,200	0.0	0	0.0	19,200	0.0	2,953
Department of Public Works:										
Governmental facilities	0.0	18,583	0.0	0	0.0	0	0.0	0	0.0	4,864
Transportation facilities	0.0	76,141	0.0	34,940	0.0	0	0.0	34,940	0.0	50,605
Environmental facilities	0.0	6,706	0.0	(4,490)	0.0	0	0.0	(4,490)	0.0	(2,893)
Washington Metropolitan Area Transit Authority (Metro)	0.0	21,100	0.0	91,200	0.0	0	0.0	91,200	0.0	50,000
Total, General Fund	0.0	313,454	0.0	393,639	0.0	200	0.0	393,839	0.0	108,743
Water and Sewer Enterprise Fund:										
Water and Sewer Utility Administration	0.0	50,000	0.0	40,000	0.0	0	0.0	40,000	0.0	24,500
Washington Aqueduct	0.0	1,690	0.0	5,908	0.0	0	0.0	5,908	0.0	4,587
Total, Water and Sewer Fund	0	51,690	0	45,908	0	0	0	45,908	0	29,087
Total, Capital Outlay	0.0	365,144	0.0	439,547	0.0	200	0.0	439,747	0.0	137,830
Grand Total	[1] 35,430	3,882,370	41,435	3,988,422	(2,545.6)	117,742	41,451	4,106,164	38,645	3,777,351

[1] Includes 275 FTE's for Washington Aqueduct.

Revised FY 1993 General Fund Financial Plan ($1,000)			
Revenue:	Appropriation	Grants and Other	Total General Fund
Local Sources, Current Authority			
Property Taxes	839,800		839,800
Sales Taxes	522,200		522,200
Income Taxes	722,900		722,900
Other Taxes	244,250		244,250
Licenses, Permits	41,413		41,413
Fines, Forfeitures	58,969		58,969
Service Charges	59,214		59,214
Miscellaneous	64,413	149,000	213,413
Subtotal, Local Current Authority	**2,553,159**	**149,000**	**2,702,159**
Local Sources, Pending Authority	162,764		192,764
Subtotal, Local Revenue	**2,715,923**	**149,000**	**2,894,923**
Federal Sources:			
Federal Payment	630,146		630,146
Inaugural	5,514		5,514
Grants		703,000	703,000
Federal, Pending	30,000		
Total, Federal Sources	**665,660**	**703,000**	**1,338,660**
Other Financing Sources:			
Sale of Surplus Property	237		237
Other Transfers	2,047		2,047
Lottery Transfer	49,270		49,270
Total Other Financing Sources	**51,554**		**51,554**
Total, General Fund Revenues	**3,433,137**	**852,000**	**4,285,137**
Expenditures, Current:			
Governmental Direction and Support	125,964	12,000	137,964
Economic Development and Regulation	93,348	180,000	273,348
Public Safety and Justice	932,860	6,000	938,860
Public Education System	638,539	70,000	708,539
Human Support Services	902,122	550,000	1,452,122
Public Works	224,351	34,000	258,351
Financing & Other	27,452		27,452
Total Expenditures	**2,944,636**	**852,000**	**3,796,636**

Revised FY 1993 General Fund Financial Plan
($1,000)

	Appropriation	Grants and Other	Total General Fund
Debt Service Expenditures :			
Principal and Interest	348,687		348,687
Other Financing Sources Uses:			
D.C. General Hospital	58,768		58,768
University of the District of Columbia	67,796		67,796
Convention Center	13,250		13250
Total Expenditures and Other Financing Uses	**3,433,137**	**852,000**	**4,285,137**
Less:			
Excess of Revenue Over Expenditures Reserved for Carry Forward	0		0
Excess Revenue Over Expenditures:	--	--	--

Office of the Deputy Mayor for Finance

Agency Overview

Mission

The mission of the Office of the Deputy Mayor for Finance is to assist the Mayor in the performance of the financial management functions of the District of Columbia.

Agency Description

The Chief Financial Officer maintains a coordinated financial management system to budget, collect, and provide expenditure control and properly account for over $3 billion annually. In carrying out these activities, the Chief Financial Officer has oversight responsibilities for the Office of the Budget, Office of Financial Management, the Department of Finance and Revenue, and the Office of Grants Management and Development.

The Chief Financial Officer coordinates the operation of those agencies, including budget planning and execution, accounting and cash management, revenue determination and collection, and automated data processing systems that support financial reporting and accounting activities. The Chief Financial Officer also coordinates the issuance of long and short-term debt instruments authorized by the District government, including general obligation bonds and industrial revenue bonds; reviews long and short-term revenue forecasting to determine available resources; recommends tax and fiscal policies to support expenditures; and serves on the retirement boards for police officers, firefighters, teachers, and judges.

Agency Budget Summary

FY 1994: The *total* budget from all funding sources in FY 1994 is $289,000 and 5 full-time equivalent (FTE) positions, an increase of $13,000 over the revised total FY 1993 budget.
The *appropriated* request for FY 1994 is $144,000 and 3 FTEs, an increase of $13,000 over the revised FY 1993 request and $2,000 over the approved FY 1993 budget.
The *nonappropriated* budget for FY 1994 is $145,000, no change from the revised FY 1993 budget.
FY 1993 Revised: The FY 1993 revised *appropriated* budget request is $131,000, a reduction of $11,000 from the approved FY 1993 budget. No change in the nonappropriated budget is requested.

Major changes include the following:

- FY 1993 Furlough Reductions: $11,000 - This amount represents the estimated savings to be generated from furlough reductions in FY 1993.
- FY 1993 Step Increase Reduction: $1,000 - This amount represents the estimated savings from the cancellation of step increases in FY 1993.
- FY 1993 Health Benefits Increase: $1,000 - This amount represents the estimated costs for employee health benefits increases to be budgeted for the period January 1, 1993 through September 30, 1993.

Office of the Deputy Mayor for Finance

- FY 1994 Health Benefits Increase: $2,000 - This amount represents the estimated costs for FY 1994.

Budget Strategy & Impacts

The requested funding will continue the improvement of the overall financial management systems and operations of the District of Columbia government, and will provide an effective control over the receipts and expenditure of funds.

Table I **Agency Staffing and Funding Detail**

Programs	Staffing (FTE Positions)				Funding			
	FY92 Actual	FY93 Budget	FY93 Revised	FY94 Proposed	FY92 Actual	FY93 Budget	FY93 Revised	FY94 Proposed
Ofc of the Deputy Mayor for Finance	3.7	5.0	5.0	5.0	286,019	287,000	276,000	289,000
Total Agency	3.7	5.0	5.0	5.0	286,019	287,000	276,000	289,000
Appropriated Funds	2.6	3.0	3.0	3.0	141,019	142,000	131,000	144,000
Federal Funds	0.0	0.0	0.0	0.0	0	0	0	0
Intra-District Funds	1.1	2.0	2.0	2.0	145,000	145,000	145,000	145,000
Other Funds	0.0	0.0	0.0	0.0	0	0	0	0

Office of the Deputy Mayor for Finance

Table II **Agency Appropriated Summary by Expenditure Type**

Expenditure Type	Staffing (FTE)				Funding			
	FY 92 Actual	FY 93 Budget	FY 93 Revised	FY 94 Proposed	FY 92 Actual	FY 93 Budget	FY 93 Revised	FY 94 Proposed
Personal Services								
Regular Pay	2.3	3.0	3.0	3.0	84,246	121,000	109,000	121,000
Other Pay	0.3	0.0	0.0	0.0	5,527	0	0	0
Additional Gross Pay	0.0	0.0	0.0	0.0	13,300	0	0	0
Fringe Benefits	0.0	0.0	0.0	0.0	16,368	17,000	18,000	19,000
Total Personal Services	2.6	3.0	3.0	3.0	119,441	138,000	127,000	140,000
NonPersonal Services								
Supplies					845	1,000	1,000	1,000
Energy					0	0	0	0
Communications					0	0	0	0
Building Rent					0	0	0	0
Other Services & Charges					20,732	3,000	3,000	3,000
Subsidies & Transfers					0	0	0	0
Equipment					0	0	0	0
Total NonPersonal Services					21,577	4,000	4,000	4,000
TOTAL AGENCY	2.6	3.0	3.0	3.0	141,018	142,000	131,000	144,000

Office of the Budget

Agency Overview

Mission

The mission of the Office of the Budget is to coordinate the development and implementation of operating and capital budgets for the District of Columbia which, within the constraints of the legislative process, reflect the priorities of the citizens as proposed by the Mayor.

Agency Description

The Office's mission is accomplished by its activities involved in the development, review, production, adoption, implementation, and monitoring of the annual budget. The work of the office includes:

- Managing the annual budget process, including establishing revenue and expenditure parameters, setting timetables, and formatting budget requests for final presentation;
- Working with the various agencies of the District to assess program needs and alternatives;
- Reviewing agency needs and requests in light of fiscal and programmatic constraints and making recommendations to the Mayor;
- Reflecting the final decisions in a budget that explains and defends the Mayor's proposals; and presenting the budget as well as supporting information to the press, public, District Council, and the US Congress;
- Assuring that budgetary accounts are established consistent with the final approved budget; reviewing and approving, within established limits, requests for budget adjustments; monitoring expenditures and program accomplishments against the budget plan; making projections of final expenditure and accomplishment levels; and providing assistance to various agencies in responding to new or unforeseen problems;
- Providing on an ongoing basis management and research assistance on issues related to financial management, productivity, and the effective and efficient use of District resources.

Agency Budget Summary

FY 1994: The *total* budget from all funding sources in FY 1994 is $2,846,000 and 58 full-time equivalent (FTE) positions, a net decrease of $305,000 from the revised total FY 1993 budget. The *appropriated* request for FY 1994 is $1,146,000 and 20 FTEs, a net decrease of $336,000 and 4 FTEs from the revised FY 1993 request and a net decrease of $321,000 and 5 FTEs from the approved FY 1993 budget. The *nonappropriated* budget request for FY 1994 is $1,700,000 and 38 FTEs, an increase of 2 FTEs over the FY 1993 budget.

FY 1993 Revised: The revised FY 1993 *appropriated* request is $1,482,000 and 24 FTEs, a net increase of $15,000 over the approved FY 1993 budget and a decrease of one FTE. The *nonappropriated* budget of $1,669,000 reflects a decrease of $31,000 and two FTEs.

Office of the Budget

Major proposed changes include the following:

- FY 1993 Furlough and Within-Grade Reductions -- A reduction of $51,000 is the estimated savings to be generated from employee furloughs, and $10,000 represents savings from the cancellation of step increases.

- Health Benefits Increases -- An increase of $8,000 represents the estimated costs for employee health benefits increases (budgeted for the period January 1, 1993 through September 30, 1993), and an increase of $19,000 represents the estimated full-year costs for FY 1994.

- An increase of $100,000 for contractual services is requested in the revised FY 1993 budget to fund a special user fee study.

Budget Strategy & Impacts
Strategy: The Office of the Budget will continue its efforts to conserve resources and to operate efficiently and effectively. The office will do so by automating key functions, particularly the preparation of annual budget requests and data reporting needs; decentralizing activities, such as budget modification processing; relying on District agencies to carry out more functions for themselves; and focusing staff resources on the office's most critical analytical needs.

Impacts: Employing the above strategy, the office will sustain and improve all aspects of its operations throughout FY 1993 and FY 1994. The requested increase of $100,000 in contractual services for a user fee study will determine what the appropriate charge should be for services rendered by District agencies or for the violation of certain statutes. This study will expand the District's revenues.

Table I **Agency Staffing and Funding Detail**

Programs	Staffing (FTE Positions)				Funding			
	FY92 Actual	FY93 Budget	FY93 Revised	FY94 Proposed	FY92 Actual	FY93 Budget	FY93 Revised	FY94 Proposed
Office of the Budget	51.8	61.0	58.0	58.0	2,931,686	3,167,000	3,151,000	2,846,000
Total Agency	51.8	61.0	58.0	58.0	2,931,686	3,167,000	3,151,000	2,846,000
Appropriated Funds	22.9	25.0	24.0	20.0	1,247,789	1,467,000	1,482,000	1,146,000
Federal Funds	0.0	0.0	0.0	0.0	0	0	0	0
Intra-District Funds	28.9	36.0	34.0	38.0	1,683,897	1,700,000	1,669,000	1,700,000
Other Funds	0.0	0.0	0.0	0.0	0	0	0	0

Office of the Budget

Table II Agency Outputs

Measures	FY 1991	FY 1992	FY 1993	FY 1994
Community Budget Meetings Conducted	140	155	250	300
Council/Congressional Budgets Prepared	2	2	2	2
Bond Issuances Developed	1	1	1	1
Capital Projects Managed	872	1,001	1,044	1,050
Budget Modifications Processed	4,450	2,250	350	350
Automated Budget System (Phase I) percent developed/implemented	--	50%	50%	--
Automated Budget System (Phase II) percent developed/implemented	--	--	65%	35%
User Fee Study Conducted	--	--	1	--
Council , Congressional and Office of Management and Budget Hearings Participated In	48	48	50	50
Fiscal Impact of Proposed Legislation and Special Projects Assessed	40	50	55	60

Table III Agency Appropriated Summary by Expenditure Type

Expenditure Type	Staffing (FTE)				Funding			
	FY 92 Actual	FY 93 Budget	FY 93 Revised	FY 94 Proposed	FY 92 Actual	FY 93 Budget	FY 93 Revised	FY 94 Proposed
Personal Services								
Regular Pay	22.9	25.0	24.0	20.0	931,770	1,151,000	1,058,000	855,000
Other Pay	0.0	0.0	0.0	0.0	0	0	0	0
Additional Gross Pay	0.0	0.0	0.0	0.0	88,671	9,000	9,000	9,000
Fringe Benefits	0.0	0.0	0.0	0.0	130,537	167,000	175,000	142,000
Total Personal Services	22.9	25.0	24.0	20.0	1,150,978	1,327,000	1,242,000	1,006,000
NonPersonal Services								
Supplies					(4,713)	21,000	21,000	21,000
Energy					0	0	0	0
Communications					45,774	34,000	34,000	34,000
Building Rent					0	0	0	0
Other Services & Charges					51,142	79,000	179,000	79,000
Subsidies & Transfers					0	0	0	0
Equipment					4,608	6,000	6,000	6,000
Total NonPersonal Services					96,811	140,000	240,000	140,000
TOTAL AGENCY	22.9	25.0	24.0	20.0	1,247,789	1,467,000	1,482,000	1,146,000

Office of Financial Management

Agency Overview

Mission
The mission of the Office of Financial Management (OFM) is to assist the Mayor in the performance of the financial management functions of the District of Columbia.

Agency Description
The Office of Financial Management governs the District's accounting policies and practices; manages systems to support centralized and agency-level accounting operations; administers the District government's cash management program and the issuance of long and short-term debt instruments; maintains the financial records; and prepares appropriate monthly and annual financial reports. The work of the agency is carried out through the following major programs:

- Office of the Controller--includes the Controller, Accounting Operations, Pay and Retirement, Research and Special Projects and Agency Operations.

- Office of Financial Information Services--covers Systems Support, Production Process, and User Support Services.

- Office of the Treasurer--covers the various cash management activities including Disbursing Operations, Debt and Banking Relations, Cashier Operations, Accounting Operations, and Cash Management.

Agency Budget Summary
FY 1994: The *total* budget from all funding sources in FY 1994 is $17,551,983 and 299.5 full-time equivalent (FTE) positions, an increase of $695,966 and no change in FTE positions from the revised total FY 1993 budget. The *appropriated* request for FY 1994 is $15,792,000 and 253.5 FTEs, an increase of $695,983 and no change in FTEs from the revised FY 1993 request.
The FY 1994 *nonappropriated* budget is $1,759,983 and 46 FTEs, which is essentially the same as the revised FY 1993 budget.
FY 1993 Revised: The revised FY 1993 *appropriated* request is $15,096,017 and 253.5 FTEs, an increase of $479,017 and 7 FTEs from the approved FY 1993 budget.
The revised FY 1993 *nonappropriated* budget request is $1,760,000 and 46 FTEs, a decrease of $187,000 and 7 FTEs from the approved FY 1993 budget.

The changes are described in detail in the program sections of the budget. Major changes include the following:

- An increase of $631,000 is provided in FY 1994 and in the revised FY 1993 budget to cover the additional cost of rental payments for the Office of the Controller.

- An increase of $400,000 is restored to the Office of the Controller in the FY 1994 budget and the revised FY 1993 budget to cover payroll costs associated with the processing of

retirement payrolls for police officers, fire fighters, teachers, and judges. This funding will provide support for 7 FTEs to be restored to the appropriation.

- An increase of $300,000 is provided in the FY 1994 budget and the revised FY 1993 budget to support the cost of the citywide audit in the Office of the Controller, and funding for postage and armored car requirements in the Office of the Treasurer.

- An increase of $47,000 in health benefits in FY 1993 for the period January 1, 1993 through September 30, 1993, and an increase of $114,000 for FY 1994.

- A reduction of $370,000 in FY 1993 for employee furlough savings.

- A reduction of $77,000 for savings from the cancellation of step increases in FY 1993.

- An adjustment to fringe benefits costs and a delay in the filling of several computer positions will result in a reduction of $139,000 in the FY 1994 budget. The revised FY 1993 budget is reduced by $233,000.

Budget Strategy & Impacts

Strategy: The workload and service demands of the programs will continue in FY 1993 and FY 1994 at current levels. The Office of Financial Management will focus on achieving efficiencies in its operations and effectively using its nonappropriated resources.

Impact: The overall effect may result in some processing delays in generating FMS reports if there is a significant increase in the volume of work. Hardware and software failures may present some concerns in the event specific support personnel are not available to resolve problems at the data center.

Table I **Agency Staffing and Funding Detail**

Programs	Staffing (FTE Positions)				Funding			
	FY92 Actual	FY93 Budget	FY93 Revised	FY94 Proposed	FY92 Actual	FY93 Budget	FY93 Revised	FY94 Proposed
Office of the D.C. Controller	117.0	132.5	132.5	132.5	5,732,614	5,786,500	6,449,517	6,741,483
Office of Financial Information Services	95.8	109.0	109.0	109.0	8,439,579	8,565,000	8,178,000	8,475,000
Office of the D.C. Treasurer	54.8	58.0	58.0	58.0	2,000,876	2,212,500	2,228,500	2,335,500
Total Agency	267.6	299.5	299.5	299.5	16,173,069	16,564,000	16,856,017	17,551,983
Appropriated Funds	224.5	246.5	253.5	253.5	14,295,112	14,617,000	15,096,017	15,792,000
Federal Funds	0.0	0.0	0.0	0.0	0	0	0	0
Intra-District Funds	26.9	28.0	28.0	28.0	751,017	893,000	909,000	909,000
Other Funds	16.1	25.0	18.0	18.0	1,126,940	1,054,000	851,000	850,983

Office of Financial Management

Table II Agency Outputs

Measures	FY 1991	FY 1992	FY 1993	FY 1994
Payment vouchers processed and certified:	--	--	--	--
- 32 Small Agencies	6,400	6,000	5,500	5,500
- OFM	1,100	1,000	1,100	1,100
Average FMS on-line systems availability	1	1	1	1
Interest income earned	27,832,000	24,261,000	23,000,000	27,000,000
District checks disbursed	1,973,921	1,823,665	1,875,000	1,875,000
Purchase Orders/Contracts processed	800	800	780	780

Table V Agency Appropriated Summary by Expenditure Type

Expenditure Type	Staffing (FTE)				Funding			
	FY 92 Actual	FY 93 Budget	FY 93 Revised	FY 94 Proposed	FY 92 Actual	FY 93 Budget	FY 93 Revised	FY 94 Proposed
Personal Services								
Regular Pay	216.8	246.5	253.5	253.5	7,233,732	8,147,000	7,739,017	8,261,000
Other Pay	7.7	0.0	0.0	0.0	115,018	59,000	59,000	59,000
Additional Gross Pay	0.0	0.0	0.0	0.0	625,866	101,000	101,000	101,000
Fringe Benefits	0.0	0.0	0.0	0.0	1,096,675	1,384,000	1,344,000	1,474,000
Total Personal Services	224.5	246.5	253.5	253.5	9,071,291	9,691,000	9,243,017	9,895,000
NonPersonal Services								
Supplies					410,196	393,000	408,000	408,000
Energy					202,762	216,000	216,000	216,000
Communications					800,617	585,000	585,000	585,000
Building Rent					183,267	192,000	823,000	823,000
Other Services & Charges					2,080,626	2,112,000	2,405,000	2,419,000
Subsidies & Transfers					0	0	0	0
Equipment					1,546,353	1,428,000	1,416,000	1,446,000
Total NonPersonal Services					5,223,821	4,926,000	5,853,000	5,897,000
TOTAL AGENCY	224.5	246.5	253.5	253.5	14,295,112	14,617,000	15,096,017	15,792,000

Department of Finance and Revenue

Agency Overview

Mission

The mission of the Department of Finance and Revenue is to ensure the fair, effective and efficient administration and enforcement of the District of Columbia's business, income, excise, and real property tax laws.

Agency Description

The department's mission is achieved through initiating tax compliance and collection efforts, processing taxpayer returns and refunds, and providing tax-related assistance and information for the public. The department expects to generate over $2.3 billion in FY 1994, approximately 88 percent of the District's locally raised funds. The collection of these revenues enables the District to provide necessary services to the public.

The work of the department includes the following major programs:

- Audit, Compliance and Investigation - administers business and income tax laws; audits tax returns; provides taxpayer assistance; collects taxes owed; and initiates efforts to identify taxpayers who do not comply with the District's tax laws.

- Real Property Tax - assesses all real property in the District and bills owners of taxable property; includes the Recorder of Deeds, the legal office of record for real and personal property in the District.

- Tax Processing - receives, deposits, and records all tax returns and payments received by the department.

- Data Systems - plans and directs automation activities for the department.

- Administration - provides overall direction and management support for the department; includes revenue forecasting and tax policy research.

Agency Budget Summary

FY 1994: The *total* budget from all funding sources in FY 1994 is $22,353,000 and 512.6 full-time equivalent (FTE) positions, an increase of $148,000 and a decrease of 28 FTEs from the revised total FY 1993 budget.

The *appropriated* budget request for FY 1994 is $22,255,000 and 512.6 FTEs, an increase of $148,000 and a decrease of 28 FTEs from the revised FY 1993 request and a decrease of $1,195,000 and 38.5 FTEs from the approved FY 1993 budget.

The *nonappropriated* budget request for FY 1994 is $98,000, no change from the FY 1993 budget.

FY 1993 Revised: The revised FY 1993 *appropriated* budget request is $22,107,000 and 540.6 FTEs, a reduction of $1,343,000 and 10.5 FTEs from the approved FY 1993 budget.

Department of Finance and Revenue

The changes are described in detail in the program sections of the budget.

Major changes include the following:

- The audit program is enhanced in FY 1994 by the addition of 10 FTE tax auditor positions at a cost of $268,000.

- Downsizing of 31 positions results in reductions of $794,000 in the FY 1994 budget and $279,000 in the FY 1993 revised budget. Additional personal services funding reductions in FY 1994 total $112,000.

- Elimination of funding for temporary positions, with the exception of employees hired during peak tax season, results in a reduction of $395,000 and 16 FTEs in FY 1994.

- Elimination of maintenance contracts covering automated equipment yields a reduction of $128,000 in FY 1994 and $87,000 in FY 1993.

- The purchase of microcomputers to replace leased terminals throughout the department results in a reduction of $154,000 in FY 1994 and $73,000 in FY 1993.

- Additional personal services reductions in the FY 1993 revised budget include $696,000 from the District-wide furlough, $160,000 from the freeze on within-grade increases, and $126,000 as a result of position vacancies. These reductions are not continued in the FY 1994 budget.

Budget Strategy and Impacts
Strategy: The reductions outlined above will be primarily achieved through the elimination of positions. If planned productivity improvements through automation are realized, the department's mission can be accomplished with fewer staff. Also, some positions are downsized as a result of a further streamlining of management and unionized staff. A total of 13 FTE positions are downsized as a result of the management audit. The savings in nonpersonal services spending will be achieved by performing all maintenance on the department's microcomputers with in-house staff, and by replacing leased video display terminals with purchased microcomputers. The latter action enhances productivity at the same time as it reduces annual lease expenses.

Impacts: As stated above, because of anticipated productivity improvements made possible through automation, the funding and position reductions in FY 1993 and FY 1994 are expected to have minimal impact on the department's ability to generate revenue and serve the public.

Department of Finance and Revenue

Table I **Agency Staffing and Funding Detail**

Programs	Staffing (FTE Positions)				Funding			
	FY92 Actual	FY93 Budget	FY93 Revised	FY94 Proposed	FY92 Actual	FY93 Budget	FY93 Revised	FY94 Proposed
Administration	56.4	69.6	67.1	56.0	2,911,525	3,025,000	2,865,000	2,631,000
Data Systems	24.5	35.0	98.1	90.1	2,537,523	3,134,000	4,605,000	4,375,000
Real Property Tax	146.1	148.4	144.4	134.0	5,400,511	5,434,000	5,080,000	5,154,000
Audit, Compliance and Investigation	208.5	232.0	231.0	232.5	9,474,611	10,137,000	9,655,000	10,193,000
Tax Processing	89.7	66.1	0.0	0.0	2,521,696	1,818,000	0	0
Total Agency	525.2	551.1	540.6	512.6	22,845,866	23,548,000	22,205,000	22,353,000
Appropriated Funds	525.3	551.1	540.6	512.6	22,787,236	23,450,000	22,107,000	22,255,000
Federal Funds	0.0	0.0	0.0	0.0	0	0	0	0
Intra-District Funds	0.0	0.0	0.0	0.0	18,000	18,000	18,000	18,000
Other Funds	0.0	0.0	0.0	0.0	40,630	80,000	80,000	80,000

Table II **Agency Outputs**

Measures	FY 1991	FY 1992	FY 1993	FY 1994
Number of tax accounts billed	230,901	159,235	203,000	205,000
Number of real property assessments	168,000	168,000	168,300	168,500
Tax audits	12,681	11,592	11,450	12,250
Delinquent/deficient tax periods closed	199,444	264,045	231,745	185,396
Turnaround on income tax refunds (weeks)	6 to 8	8 to 12	6 to 8	4 to 6

Department of Finance and Revenue

Table V **Agency Appropriated Summary by Expenditure Type**

Expenditure Type	Staffing (FTE)				Funding			
	FY 92 Actual	FY 93 Budget	FY 93 Revised	FY 94 Proposed	FY 92 Actual	FY 93 Budget	FY 93 Revised	FY 94 Proposed
Personal Services								
Regular Pay	458.2	494.4	498.1	486.6	14,554,711	15,524,000	14,460,000	15,131,000
Other Pay	67.1	56.7	42.5	26.0	1,065,345	887,000	729,000	359,000
Additional Gross Pay	0.0	0.0	0.0	0.0	728,217	212,000	212,000	212,000
Fringe Benefits	0.0	0.0	0.0	0.0	2,339,142	2,677,000	2,716,000	2,755,000
Total Personal Services	525.3	551.1	540.6	512.6	18,687,415	19,300,000	18,117,000	18,457,000
NonPersonal Services								
Supplies					194,692	243,000	243,000	223,000
Energy					0	0	0	0
Communications					350,191	308,000	308,000	308,000
Building Rent					23,331	26,000	26,000	26,000
Other Services & Charges					2,527,674	2,410,000	2,323,000	2,282,000
Subsidies & Transfers					2,287	19,000	19,000	19,000
Equipment					1,001,646	1,144,000	1,071,000	940,000
Total NonPersonal Services					4,099,821	4,150,000	3,990,000	3,798,000
TOTAL AGENCY	525.3	551.1	540.6	512.6	22,787,236	23,450,000	22,107,000	22,255,000

OPERATING BUDGET DETAIL BY AGENCY

AGENCY	1992 ACTUAL	1993 APPROVED	1994 PROPOSED
FINANCING AND OTHER			
Convention Center:			
District Funds	12,550	13,250	12,850
Loans & Interest:			
District Funds	316,580	291,299	351,285
Other Funds	0	0	0
Total	316,580	291,299	351,285
Repayment of General Fund Deficit:			
District Funds	0	38,342	0
Optical & Dental:			
District Funds	3,309	3,423	3,423
Personal Services:			
District Funds	0	0	70,680
Employee Furlough:			
District Funds	0	(36,000)	0
Within-Grade Adjustment:			
District Funds	0	(13,000)	0
Downsizing Expenses:			
District Funds	4,042	0	0
Other Funds	108	0	0
Total	4,149	0	0
Inaugural Expenses:			
District Funds	108	0	0
Facilities Rental Adjustment:			
District Funds	12,842	16,682	0
PS/NPS Adjustment	0	(30,798)	
Total District Funds	349,429	313,996	438,238
Total Federal Funds	0	0	0
Total Other Funds	108	0	0
TOTAL, FINANCING AND OTHER	**349,537**	**313,996**	**438,238**

Washington Convention Center Transfer Payment

Agency Overview

Mission

The Washington Convention Center Transfer Payment is one of two sources that finance the operations of the Center. Revenues generated from the hotel occupancy tax fund the transfer payment from the General Fund. The Center also earns revenues from rentals paid by exhibitors and show managers for exhibit space, electrical and communications services, food concessions and other services.

Program Budget Summary

FY 1994: The proposed FY 1994 transfer payment to the Washington Convention Center is $12,850,000, a reduction of $400,000 from the FY 1993 revised and FY 1993 approved budgets.

(See the Washington Convention Center Enterprise Fund for a full discussion of the Center's financial operations).

Table I **Agency Staffing and Funding Detail**

Programs	Staffing (FTE Positions)				Funding			
	FY92 Actual	FY93 Budget	FY93 Revised	FY94 Proposed	FY92 Actual	FY93 Budget	FY93 Revised	FY94 Proposed
Washington Convention Center Transfer Payment	0.0	0.0	0.0	0.0	12,550,000	13,250,000	13,250,000	12,850,000
Total Agency	0.0	0.0	0.0	0.0	12,550,000	13,250,000	13,250,000	12,850,000
Appropriated Funds	0.0	0.0	0.0	0.0	12,550,000	13,250,000	13,250,000	12,850,000
Federal Funds	0.0	0.0	0.0	0.0	0	0	0	0
Intra-District Funds	0.0	0.0	0.0	0.0	0	0	0	0
Other Funds	0.0	0.0	0.0	0.0	0	0	0	0

Table II **Agency Outputs**

Measures	FY 1991	FY 1992	FY 1993	FY 1994
National Events	30	33	30	28
Public Events	12	12	12	12
Other Local Events	50	50	43	40
Daily Occupancy Rates	95%	95%	95%	95%
Exhibit Hall Occupancy Rates	83%	85%	84%	84%
Out of Town Delegates & Exhibitors	415.5	345.8	338.4	338.7
Tax Impact on the Genral Fund ($000)	114.3	111.8	112.9	114.8
Net Benefits/(Cost) to the General Fund ($000)	94.1	90.6	90.3	92.2

Washington Convention Center Transfer Payment

Table V **Agency Appropriated Summary by Expenditure Type**

Expenditure Type	Staffing (FTE)				Funding			
	FY 92 Actual	FY 93 Budget	FY 93 Revised	FY 94 Proposed	FY 92 Actual	FY 93 Budget	FY 93 Revised	FY 94 Proposed
Personal Services								
Regular Pay	0.0	0.0	0.0	0.0	0	0	0	0
Other Pay	0.0	0.0	0.0	0.0	0	0	0	0
Additional Gross Pay	0.0	0.0	0.0	0.0	0	0	0	0
Fringe Benefits	0.0	0.0	0.0	0.0	0	0	0	0
Total Personal Services	0.0	0.0	0.0	0.0	0	0	0	0
NonPersonal Services								
Supplies					0	0	0	0
Energy					0	0	0	0
Communications					0	0	0	0
Building Rent					0	0	0	0
Other Services & Charges					0	0	0	0
Subsidies & Transfers					12,550,000	13,250,000	13,250,000	12,850,000
Equipment					0	0	0	0
Total NonPersonal Services					12,550,000	13,250,000	13,250,000	12,850,000
TOTAL AGENCY	0.0	0.0	0.0	0.0	12,550,000	13,250,000	13,250,000	12,850,000

Washington Convention Center - Enterprise Fund

Agency Overview

Mission

The primary mission of the Washington Convention Center is to serve as an Enterprise Fund Agency to expand the tax base of the District of Columbia by promoting and hosting large international and national conventions and trade shows that bring hundreds of thousands of out-of-town delegates and exhibitors to the city, provide space and facilities for local public shows and events, foster redevelopment of downtown Washington, D.C., and provide expanded employment and business opportunities for residents of the District of Columbia.

Agency Description

The Washington Convention Center Enterprise Fund's mission is accomplished through marketing policies that focus on attracting and booking an increasing number of national and international trade shows and conventions. The key objective is to bring new monies into the community by encouraging spending by convention delegates and exhibitors. The direct spending of these new dollars expands the local economy and tax base.

The goals of the Washington Convention Center Enterprise Fund are achieved through the following major programs:

- Washington Convention Center provides space and facilities to enable large international, national and regional conventions, trade shows, meetings and exhibitions to be held in the District of Columbia.

- Washington Convention and Visitors Association coordinates convention sales, promotion, housing, registration, planning and other related services, and is the official sales program for the Washington Convention Center.

- D.C. Committee to Promote Washington directs D.C.'s national and international advertising campaign, special events and festivals; increases visitor spending and supports the District's tourism related businesses.

- District of Columbia Chamber of Commerce improves the business climate in the District and the quality of life for citizens, businesses, and visitors by serving as a leading source of information and education to businesses. Its objective is to investigate, promote, and expand Chamber members' involvement in the convention and tourism industry.

Agency Budget Summary

The proposed budget for FY 1994 from all funding sources is $19,541,000, which is a reduction of $400,000 from the FY 1993 revised and FY 1993 approved budgets. The Washington Convention Center will maintain a staffing level of 204 FTEs that are managed and administered under an independent personnel system whose authority was granted from its inception. [The proposed

Washington Convention Center - Enterprise Fund

FY 1994 general fund transfer payment to the Washington Convention Center is $12,850,000, a reduction of $400,000 from the FY 1993 revised and FY 1993 approved budgets.]

Budget Strategy & Impact

Strategy: Throughout FYs 1993 and 1994 the Washington Convention and Visitors' Association, D.C. Committee to Promote Washington, and District of Columbia Chamber of Commerce will continue to provide service to the District at current levels while utilizing every opportunity to increase operational effectiveness and management efficiencies. The Convention Center will continue its mission of promoting and hosting local events, national and international conventions, shows and exhibits to increase the spinoff revenue to the District. The workload and services demand of the Washington Convention Center will be maintained at current levels in both FY 1993 and FY 1994.

Impact

Since the financial arrangement between the Washington Convention Center and the Washington Convention and Visitors Association, D.C. Committee to Promote Washington, and District of Columbia Chamber of Commerce is based upon previously negotiated agreements, it is impracticable to reduce the share of the general fund appropriated transfer planned for these entities. Therefore, the Washington Convention Center (Program) will absorb the full impact of the proposed FY 1994 budget reduction of $400,000 through increased management efficiencies.

Table I **Agency Staffing and Funding Detail**

Programs	Staffing (FTE Positions)				Funding			
	FY92 Actual	FY93 Budget	FY93 Revised	FY94 Proposed	FY92 Actual	FY93 Budget	FY93 Revised	FY94 Proposed
Washington Convention Center	0.0	0.0	0.0	0.0	13,635,895	13,991,000	13,991,000	13,591,000
DC Committee to Promote Washington	0.0	0.0	0.0	0.0	2,100,000	2,725,000	2,725,000	2,725,000
Washington Convention & Visitors Association	0.0	0.0	0.0	0.0	2,785,000	2,700,000	2,700,000	2,700,000
DC Chamber of Commerce	0.0	0.0	0.0	0.0	495,000	525,000	525,000	525,000
Total Agency	0.0	0.0	0.0	0.0	19,015,895	19,941,000	19,941,000	19,541,000
Appropriated Funds	0.0	0.0	0.0	0.0	0	0	0	0
Federal Funds	0.0	0.0	0.0	0.0	0	0	0	0
Intra-District Funds	0.0	0.0	0.0	0.0	19,015,895	19,941,000	19,941,000	19,541,000
Other Funds	0.0	0.0	0.0	0.0	0	0	0	0

Washington Convention Center - Enterprise Fund

Table II **Agency Outputs**

Measures	FY 1991	FY 1992	FY 1993	FY 1994
National Events	30	31	30	26
Public Events	12	24	12	12
Other Local Events	50	37	50	50
Daily Occupancy Rate (percentage)	95	95	95	95
Exhibit Hall Occupancy Rate (percentage)	83	85	84	84
Out-of-town Delegates & Exhibitors	415,504	313,742	303,831	341,637
Tax Impact on the General Fund ($000)	114,273	109,778	114,177	122,883
Net Benefit/ (Cost) to the General Fund ($000)	94,149	90,598	90,347	92,229

WASHINGTON CONVENTION CENTER

OPENING STATEMENT BY

SHIRLEY ROBINSON HALL, CHAIRPERSON

WASHINGTON CONVENTION CENTER BOARD OF DIRECTORS

JUNE 4, 1993

MR. CHAIRMAN AND MEMBERS OF THE SUB COMMITTEE ON APPROPRIATIONS FOR THE DISTRICT OF COLUMBIA, I APPRECIATE THE OPPORTUNITY TO PRESENT TO YOU THE FY 1994 BUDGET REQUEST FOR THE WASHINGTON CONVENTION CENTER ENTERPRISE FUND.

I AM PLEASED TO REPORT THAT THE WASHINGTON CONVENTION CENTER CONTINUES TO BE A SYMBOL OF ECONOMIC PROSPERITY IN OUR CITY. ECONOMIC BENEFITS TO THE DISTRICT DIRECTLY RESULTANT FROM THE SUCCESS OF THE CONVENTION CENTER CONTINUES TO FAR EXCEED INITIAL EXPECTATIONS.

DESPITE CURRENT ECONOMIC CONDITIONS, THE CONVENTION INDUSTRY REMAINS STRONG. DURING THE PAST TEN (10) YEARS (FY1983 TO FY 1992), TWO HUNDRED AND FORTY (240) NATIONAL EVENTS BROUGHT 3.2 MILLION OUT-OF-TOWN DELEGATES AND EXHIBITORS TO WASHINGTON AND GENERATED $1.9 BILLION FOR DISTRICT HOTELS, RESTAURANTS AND RETAIL ESTABLISHMENTS. TOTAL TAX BENEFIT TO THE DISTRICT WAS MORE THAN $716 MILLION.

IT IS ESTIMATED THAT REVENUE GENERATED TO DISTRICT HOTELS, RESTAURANTS, AND RETAIL ESTABLISHMENTS, IN FY 1993 AND FY 1994, WILL INCREASE BY 27% AND 31%, RESPECTIVELY. BY THE END OF FY 1994, IT IS HOPED REVENUE GENERATED BY DELEGATE AND EXHIBITOR SPENDING WILL SURPASS $2.4 BILLION AND TOTAL TAX BENEFIT TO THE CITY WILL EXCEED $936 MILLION. INCREASED REVENUE ACROSS THE BOARD IS THE TRUE MEASURE OF THE CENTER'S SUCCESS AND DECIDEDLY DEMONSTRATED BY THE NUMBER OF NEW JOBS CREATED, THE NEW DOLLARS EXPENDED WITH LOCAL BUSINESSES AND THE NEW TAX REVENUE GENERATED FOR THE CITY.

A HIGHLIGHT OF THE SECOND QUARTER OF FY 1993 WAS THE OPPORTUNITY FOR THE CENTER TO HOST FOUR (4) PRESIDENTIAL INAUGURAL EVENTS ATTRACTING 23,500 ATTENDEES AND GENERATING MORE THAN $13 MILILON IN CENTER- RELATED REVENUE. THESE REVENUES REPRESENT 20% OF THE $65 MILLION GENERATED FOR THE CITY FROM THE INAUGURAL ACTIVITIES. NOT ONLY WAS THE CENTER OVERWHELMINGLY GRATIFIED TO ENHANCE ITS

FINANCIAL INTAKE, BUT THE CENTER ALSO RECEIVED EXCLUSIVE PRESS COVERAGE FROM ALL OF THE MAJOR NEWS NETWORKS, AS WELL AS, THE CABLE NEWS CHANNELS, CNN AND C-SPAN DURING INAUGURAL WEEK.

THE CENTER'S BOARD OF DIRECTORS AND STAFF ARE COMMITTED TO THE CITY'S MISSION TO REDUCE OPERATING COSTS AND MAINTAIN ITS ABILITY TO PROVIDE ECONOMICALLY SOUND, QUALITY SERVICES TO OUR CLIENTS. THUS A GREAT DEAL OF WORK HAS BEEN ACCOMPLISHED TO MAXIMIZE THE CENTER'S OPERATING REVENUE WHILE HOLDING THE LINE ON OUR OPERATING EXPENSES. AND IT IS EQUALLY IMPORTANT TO PROVIDE EXCELLENT SERVICE TO THE CLIENT AND MAINTAIN A COMPETITIVE FACILITY. GOOD MANAGEMENT AND SERVICE ARE THE KEYS TO CREATING AN EXPANDED TAX BASE FOR THE DISTRICT OF COLUMBIA.

THE WASHINGTON CONVENTION CENTER IS HIGHLY UTILIZED RELATIVE TO INDUSTRY STANDARDS. SINCE 1989, THE CENTER HAS OPERATED AT OR ABOVE THE INDUSTRY'S PRACTICAL CAPACITY OF 75%. IN FY 1992, THE CENTER'S OCCUPANCY RATE WAS 95%. DUE TO THE CENTER'S 11-YEAR EXISTENCE AND THE HIGH LEVEL OF USE, THE FACILITY REQUIRES MAJOR REPAIR AND MAINTENANCE TO OPERATE EFFICIENTLY.

IN FY 1992, THERE WERE SEVERAL PROJECTS THAT WE ANTICIPATED DEFERRING BECAUSE OF UNAVAILABLE FUNDING. HOWEVER, AS A RESULT OF OUR EXCELLENT REVENUE PERFORMANCE, THE CENTER WAS ABLE TO REDIRECT BUDGET DOLLARS AND COMPLETE CRITICAL BUILDING AND EQUIPMENT PROJECTS TOTALLING $1.2 MILLION. FOR EXAMPLE, THREE PROJECTS COMPLETED WITH EXCESS REVENUE WERE:

- THE REPLACEMENT OF (60) PAIRS OF ACOUSTICAL DOORS, COSTING $472,000;
- THE REPLACEMENT OF 9,000 EXHIBIT HALL CHAIRS, COSTING $368,000;
- AND THE ADDITION OF ESCALATOR SAFETY PLATES, COSTING $100,000.

DUE TO INADEQUATE OPERATING FUNDS IN FY 1993, AND A FY 1994 BUDGET REDUCTION OF $400,000, SOME OF OUR BUILDING MAINTENANCE AND REPAIR PROJECTS MUST BE POSTPONED.

BECAUSE OF THE HIGH VOLUME OF ACTIVITY IN THE FACILITY, IT IS IMPERATIVE THAT THE FINANCIAL RESOURCES FOR CRITICAL MAINTENANCE AND REFURBISHMENT PROJECTS BE PROVIDED. IT IS ESTIMATED $6 MILLION IS NEEDED FOR MAINTAINING THE BUILDING WITHIN INDUSTRY STANDARDS AND COMPLYING WITH D.C. FIRE DEPARTMENT CODES, AS WELL AS, AMERICANS WITH DISABILITIES ACT REGULATIONS. NOW THAT THE FACILITY IS IN ITS ELEVENTH YEAR OF OPERATION, IT NEEDS CONTINUED CARE AND ATTENTION.

AFTER EXTENSIVE ANALYSIS AND DEFERMENT OF MAJOR REPAIR AND MAINTENANCE PROJECTS, IT HAS BEEN DETERMINED THAT THE FY 1993 BUDGET WILL ALLOW THE CENTER TO MAINTAIN ADEQUATE STAFFING AND OPERATE THE FACILITY AT A LEVEL NECESSARY FOR ENSURING QUALITY SERVICES AND MEETING CLIENT CONTRACTUAL OBLIGATIONS. HOWEVER, THE CENTER IS STILL WITHOUT FUNDS FOR MAJOR BUILDING IMPROVEMENTS AND UNANTICIPATED REPAIRS.

THE FY1994 BUDGET REQUEST FOR THE CONVENTION CENTER ENTERPRISE FUND IS $19,541,000, WITH $13,591,000 ALLOCATED FOR THE CENTER'S EXPENDITURES, REFLECTING A DECREASE OF $400,000 OR 3% FROM THE FY 1993 AND 1992 BUDGETS. WHILE THE REMAINING $5,950,000 IS DISBURSED WITHOUT REDUCTION TO THE OTHER PROMOTIONAL AGENCIES (WASHINGTON CONVENTION AND VISITORS ASSOCIATION, DC COMMITTEE TO PROMOTE WASHINGTON, AND DC CHAMBER OF COMMERCE).

THE ENTERPRISE FUND REVENUE BUDGET IS COMPRISED OF $6,691,000 PROJECTED REVENUE PLUS HOTEL OCCUPANCY TAX AND GENERAL FUND TRANSFER OF $12,850,000. $6,900,000 OF THE TRANSFER SUPPORTS CENTER OPERATIONS AND THE REMAINING $5,950,000 IS DIRECTED TO THE PROMOTIONAL AGENCIES. OUR FY 1994 BUDGET REQUEST PROVIDES FOR PERSONAL SERVICES EXPENDITURES OF $9,347,000, AND NON-PERSONAL SERVICES EXPENDITURES OF $4,244,000.

TO ACHIEVE CONVENTION CENTER BUDGETARY GOALS FOR FY 1993 AND FY 1994, MANAGEMENT HAS IMPLEMENTED FINANCIAL POLICIES THAT INCLUDE:

- POSTPONING OF BUILDING MAINTENANCE PROJECTS.
- CANCELLING PERFORMANCE-BASED MERIT AND COLA INCREASES IN FY 1993; AND RESTRICTING MERIT AND COLA INCREASES IN FY 1994.
- FILLING POSITION VACANCIES ON A CASE-BY-CASE BASIS.
- RESTRICTING PROMOTIONAL PROGRAMS INCLUDING TRAVEL AND ADVERTISING IN TRADE JOURNALS.
- CONDUCTING UTILITY AUDITS AND REDUCING SERVICE CONTRACTS.

TO ENSURE THE CONTINUED SUCCESS OF THE CENTER, WE MUST BE COMPETITIVE WITH OTHER CITIES, SUCH AS ATLANTA, NEW YORK CITY, CHICAGO, LAS VEGAS, AND NEW ORLEANS, WHERE THERE HAS BEEN EXPANSION OF FACILITIES AND SERVICES.

AS A RESULT OF CONVENTION CENTER EXPANSIONS IN OTHER CITIES, THE WASHINGTON CONVENTION CENTER HAS LOST ITS RANKING IN THE TOP TEN CONVENTION FACILITIES. THIS PLACES THE CENTER IN THE MORE COMPETITIVE SECOND TIER CONVENTION MARKET WHERE MORE THAN 50

CITIES OFFER LESS EXPENSIVE HOTEL ACCOMMODATIONS AND CONVENTION PACKAGES.

BECAUSE OF THE WASHINGTON CONVENTION CENTER'S LIMITED SQUARE FOOTAGE, IT CAN NO LONGER ATTRACT LARGE NATIONAL AND INTERNATIONAL CONVENTIONS. THEREFORE, THE CENTER'S RANKING WAS DOWNGRADED FROM FOURTH TO THE TWENTY-FIFTH LARGEST CONVENTION CENTER IN THE U.S.. THIRTY FOUR (34) EVENTS PREVIOUSLY HOSTED HAVE OUTGROWN THE CENTER AND ANOTHER TWELVE (10) ARE NEARING THAT GROWTH LEVEL. EXPANSION IS CRITICAL FOR WASHINGTON, DC TO REGAIN FIRST TIER RANKING.

THE WASHINGTON CONVENTION CENTER BOARD AND STAFF WANT TO IMPLEMENT OUR MISSION WITHOUT ADVERSE IMPACT ON THE QUALITY OF SERVICES PROVIDED TO CLIENTS. WE SUPPORT THE MAYOR'S EFFORTS TO ADDRESS THE CITY'S DEFICIT, BUT ARE CONCERNED ABOUT THE PROBABILITY OF REDUCTIONS IN TAX BENEFITS DUE TO THE LOSS OF LARGE EVENTS.

WE ARE COMMITTED TO ENSURING THE CONTINUED GROWTH OF TOURISM, THE CITY'S SECOND LARGEST INDUSTRY.

THANK YOU, AND WE WELCOME YOUR QUESTIONS.

72-882 O—93——2

Repayment of the General Fund Deficit

Agency Overview

Mission

The Repayment of General Fund Recovery Debt budget category provides funds to pay the debt service cost associated with the accumulated General Fund deficit financing.

Agency Description

In September 1991, the District issued $336,605,000 in General Recovery bonds (1991B and 1991C issues) to eliminate an accumulated General Fund deficit remaining at the end of FY 1990. In both FY 1992 and FY 1993 , the debt service for the Repayment of General Fund Recovery Debt was budgeted separately. However, in FY 1992 the actual expenditure of $43,923,000 was consolidated with the expenditure for the Repayment of Loans and Interest to facilitate the monitoring of the District's total debt service. Commencing with the Revised FY 1993 budget, the debt service for the Repayment of Loans and Interest will include payments on the 1991B and 1991C issues.

Agency Budget Summary

FY 1994: The FY 1994 and FY 1993 Revised appropriated budget requests for the Repayment of General Fund Recovery Debt are consolidated with the Repayment of Loans and Interest.

Table I **Agency Staffing and Funding Detail**

Programs	Staffing (FTE Positions)				Funding			
	FY92 Actual	FY93 Budget	FY93 Revised	FY94 Proposed	FY92 Actual	FY93 Budget	FY93 Revised	FY94 Proposed
Repayment of General Fund Recovery Debt	0.0	0.0	0.0	0.0	0	38,342,000	0	0
Total Agency	0.0	0.0	0.0	0.0	0	38,342,000	0	0
Appropriated Funds	0.0	0.0	0.0	0.0	0	38,342,000	0	0
Federal Funds	0.0	0.0	0.0	0.0	0	0	0	0
Intra-District Funds	0.0	0.0	0.0	0.0	0	0	0	0
Other Funds	0.0	0.0	0.0	0.0	0	0	0	0

Repayment of Loans & Interest

Agency Overview

Mission

Allocations in this budget provide for the payment of the Debt Service costs of the District government's long-term borrowings to finance capital project expenditures of General Fund agencies, the amortization of costs for private hospital construction, and the costs associated with the General Fund Recovery Bonds.

Agency Description

Until FY 1985, the District borrowed exclusively from the U.S. Treasury to finance its capital improvements program. Since December 1984, the District has sold $3.7 billion in twenty one general obligation issues. Nine of those issues have provided funds to refinance $1.8 billion in high-interest U.S. Treasury notes and general obligation bonds. Ten issues yielded $1.6 billion to finance new expenditures of the District's capital improvements program. Two issues totaling $0.3 billion provided financing to eliminate the accumulated General Fund deficit. The refinancings have saved the District $0.9 billion in total interest cost.

Agency Budget Summary

The FY 1993 approved budget funded debt service in two separate accounts. These two accounts were the Repayment of Loans and Interest, and the Repayment of General Fund Recovery Debt. The revised FY 1993 and the FY 1994 budget requests consolidate all debt service expenditures into one account, Repayment of Loans and Interest.

FY 1994: The FY 1994 appropriated budget request is $351,285,000, an increase of $2,598,000 from the Revised FY 1993 budget of $348,687,000, and an increase of $59,986,000 over the FY 1993 approved budget of $291,299,000.

FY 1993 Revised: The Revised FY 1993 debt service budget request of $348,687,000 is $57,388,000 higher than the approved FY 1993 debt service budget of 291,299,000 for the following reasons:

- a decrease of $34,532,000 in U.S. Treasury debt service due to the redemption and refinacing of outstanding U.S. Treasury Loans for the General Fund;
- an increase of $54,126,000 to cover the FY 1993 debt service and fiscal charges for these refinanced loans,
- an increase of $38,337,000 caused by the consolidation of accounts and to cover the debt service on the General Fund Recovery Bonds issued in September of 1991; and
- a decrease of $36,000 in the approved FY 1993 debt service payment for private hospital construction.

Repayment of Loans & Interest

The following table depicts in more detail the net increase of $57,388,000 of the FY 1993 revised budget request over the FY 1993 approved budget..

Debt Components	FY 1993 Approved	FY 1993 Revised	Difference
Outstanding Debt:	284,656	341,897	57,241
U.S. Treasury Loans	66,108	31,576	(34,532)
G0 bonds, except 1991B + 1991C)	218,548	271,984	53,436
Deficit Bonds, (1991B + 1991C)	0	38,337	38,337
Estimated Debt on Future Issues:	6,000	5,493	(507)
Series 1992B	3,000	0	(3,000)
Series 1993A	3,000	5,493	2,493
Fiscal Charges	107	797	690
Hospital	536	500	(36)
Agency Total	291,299	348,687	57,388

Budget Strategy & Impact

Strategy for FY 1994 and Revised FY 1993: The District's capital program will be closely managed to restrict borrowing in FY 1993 and FY 1994 to affordable levels. Authority will be requested for only those capital projects that address urgent health and safety needs, match other funds such as federal grants, and reduce long-term operating costs. To stay within prescribed borrowing levels, capital spending will be controlled by borrowing mainly to continue projects initiated in prior years.

Impact: The FY 1994 debt service budget of $ 351,285,000 enables the District to pay in FY 1994 the outstanding debt of $322,560,000, up to the 1992B issue, and also affords a future debt of $27,734,000 on the planned 1993A and 1994A issues. Each of these future issues will provide to the General Fund Capital Improvement Program $230.8 million and $232.2 million in FY 1993 and FY 1994, respectively.

The estimated debt service on both future issues is $27,734,000 in FY 1994, assuming that the 1993A and 1994A issues will sell at an average 7.0 percent and 7.15 percent effective rate respectively, and that the first principal payment on each issue will occur in the fiscal year following the year of sale.

The table below depicts the components of the FY 1994 debt service budget requests.

Debt Components	Principal	FY 1994 Interest	Total
Outstanding Debt:	134,271	188,289	322,560
U.S. Treasury Loans	14,427	8,671	23,098
G0 bonds, except 1991B + 1991C)	97,449	163,364	260,813
Deficit Bonds, (1991B + 1991C)	22,395	16,254	38,649
Future Debt:	5,742	21,992	27,734
Series 1993A	5,742	16,345	22,087
Series 1994A	0	5,647	5,647
Fiscal Charges	0	797	797
Hospital	194	0	194
Total Request	140,207	211,078	351,285

Repayment of Loans & Interest

The FY 1994 budget request is $2,598,000 higher than the revised FY 1993 budget request. The increase is caused by a) a decrease of $19,337,000 in total outstanding debt because of refinancing savings; b) a decrease of $306,000 in hospital debt; and c) an increase of $22,241,000 to cover estimated cost of future debt.

Impact: The Revised FY 1993 budget will allow the District to pay the outstanding debt of $341,897,000, and in FY 1993 will cover the estimated future debt service of $5,493,000 on the 1993A issue. The 1993A issue sale is planned for May 1993 and will finance $230.8 million in General Fund capital improvement projects.

The following table details the difference between the two budget requests.

Debt Components	Revised FY 1993	FY 1994 Proposed	Difference
Outstanding Debt:	341,897	322,560	(19,337)
U.S. Treasury Loans	31,576	23,098	(8,478)
G0 bonds, except 1991B + 1991C	271,984	260,813	(11,171)
Deficit Bonds, (1991B + 1991C)	38,337	38,649	312
Estimated Debt on Future Issues:	5,493	27,734	22,241
Series 1993A	5,493	22,087	16,594
Series 1994A	0	5,647	5,647
Fiscal Charges	797	797	0
Hospital	500	194	(306)
Agency Total	348,687	351,285	2,598

Table I **Agency Staffing and Funding Detail**

Programs	Staffing (FTE Positions)				Funding ($1,000)			
	FY92 Actual	FY93 Budget	FY93 Revised	FY94 Proposed	FY92 Actual	FY93 Budget	FY93 Revised	FY94 Proposed
Repaymt of Loans & Interest	0	0	0	0	316,580	291,299	348,687	351,285
Total Agency	0	0	0	0	316,580	291,299	348,687	351,285
Appropriated Funds	0	0	0	0	316,580	291,299	348,687	351,285
Federal Funds	0	0	0	0	0	0	0	0
Private Funds	0	0	0	0	0	0	0	0
Intra-District Funds	0	0	0	0	0	0	0	0
Other Funds	0	0	0	0	0	0	0	0

Repayment of Loans & Interest

Table II **Agency Outputs**

Measures	FY 1991	FY 1992	FY 1993	FY 1994
Total District Debt Service	299.1	356.5	386.5	389.9
Debt Service Limit	479.4	489.8	511.9	500.1
GO bonds issued or requested:	532.2	556.6	246.8	275.2
CIP	195.6	256.8	246.8	275.2
Refinancing	0	299.8	0	0
Deficit elimination	336.6	0	0	0
Bond Requirements for CIP:	195.6	256.7	246.8	275.2
General Fund	164.7	250.5	230.8	232.2
Water and Sewer	30.9	6.2	16.0	43.0
Debt service as % of revenue	8.73	10.19	10.57	10.92

	FY 1992	FY 1993	FY 1993	FY 1994
Debt Components	Actual	Budget	Revised	Proposed
Debt on U.S. Treasury Loans	50,498	66,108	31,576	23,098
Debt on General Obligation Bonds	264,744	218,548	310,321	299,462
Estimated Debt on Future Issues	0	6,000	5,493	27,734
Fiscal Charges and Hospitals	1,338	643	1,297	991
Agency Total	316,580	291,299	348,687	351,285
Appropriated Funds	316,580	291,299	348,687	351,285

Optical and Dental Benefits

Agency Overview

Mission

The Optical and Dental Benefits Program provides optical and dental care benefits for non -union District government employees and their dependents. The program was implemented in January 1986.

Program Description

The total costs to the District for providing the Optical and Dental Benefits plan consists of administrative charges and professional service fees. The administrative costs are fixed at $2.15 per plan participant per month. The number of employees covered declined from 22,653 in FY 1991 to 18,900 in FY 1992 based upon the actual utilization rate. Historically, the number of claims tend to stabilize between the fifth and sixth year of operations, and this is reflected in the projected level of utilization in fiscal years 1993 and 1994 at 18,500.

Agency Budget Summary

The total funding requested in FY 1994 is $3,423,000, the same funding level as the FY 1993 revised and FY 1993 approved budgets. This funding request anticipates very minor changes in the utilization rate of employees and dependents in both years with no significant budget impact.

Table I **Agency Staffing and Funding Detail**

Programs	Staffing (FTE Positions)				Funding			
	FY92 Actual	FY93 Budget	FY93 Revised	FY94 Proposed	FY92 Actual	FY93 Budget	FY93 Revised	FY94 Proposed
Optical and Dental Benefits	0.0	0.0	0.0	0.0	3,308,558	3,423,000	3,423,000	3,423,000
Total Agency	0.0	0.0	0.0	0.0	3,308,558	3,423,000	3,423,000	3,423,000
Appropriated Funds	0.0	0.0	0.0	0.0	3,308,558	3,423,000	3,423,000	3,423,000
Federal Funds	0.0	0.0	0.0	0.0	0	0	0	0
Intra-District Funds	0.0	0.0	0.0	0.0	0	0	0	0
Other Funds	0.0	0.0	0.0	0.0	0	0	0	0

Table II **Agency Outputs**

Measures	FY 1991	FY 1992	FY 1993	FY 1994
Covered Employees	22653	18900	18500	18500
Claims processed - Dental	25279	26356	27500	28350
Claims Processed - Optical	10009	8663	8700	8925

Optical and Dental Benefits

Table III **Agency Appropriated Summary by Expenditure Type**

Expenditure Type	Staffing (FTE)				Funding			
	FY 92 Actual	FY 93 Budget	FY 93 Revised	FY 94 Proposed	FY 92 Actual	FY 93 Budget	FY 93 Revised	FY 94 Proposed
Personal Services								
Regular Pay	0.0	0.0	0.0	0.0	0	0	0	0
Other Pay	0.0	0.0	0.0	0.0	0	0	0	0
Additional Gross Pay	0.0	0.0	0.0	0.0	0	0	0	0
Fringe Benefits	0.0	0.0	0.0	0.0	0	0	0	0
Total Personal Services	0.0	0.0	0.0	0.0	0	0	0	0
NonPersonal Services								
Supplies					0	0	0	0
Energy					0	0	0	0
Communications					0	0	0	0
Building Rent					0	0	0	0
Other Services & Charges					359,926	206,000	206,000	206,000
Subsidies & Transfers					2,948,631	3,217,000	3,217,000	3,217,000
Equipment					0	0	0	0
Total NonPersonal Services					3,308,557	3,423,000	3,423,000	3,423,000
TOTAL AGENCY	0.0	0.0	0.0	0.0	3,308,557	3,423,000	3,423,000	3,423,000

Trauma Care Fund

Agency Overview

Mission

The Trauma Care Fund reimburses hospitals for the actual cost of uncompensated care provided at Level I trauma centers in the District in accordance with P.L.102-382.

Activity Description

The Fiscal Year 1993 Appropriations Act contains a separate appropriation of $5,561,600 to establish a Trauma Care Fund, to pay claims for trauma care provided at Level I Trauma Centers in the District of Columbia. The funds are authorized for expenditure in Fiscal Year 1993 only.

Agency Budget Summary: FY 1994 appropriated funding is not requested.

Table I **Agency Staffing and Funding Detail**

Programs	Staffing (FTE Positions)				Funding			
	FY92 Actual	FY93 Budget	FY93 Revised	FY94 Proposed	FY92 Actual	FY93 Budget	FY93 Revised	FY94 Proposed
Trauma Care	0.0	0.0	0.0	0.0	0	5,561,600	5,561,600	0
Total Agency	0.0	0.0	0.0	0.0	0	5,561,600	5,561,600	0
Appropriated Funds	0.0	0.0	0.0	0.0	0	5,561,600	5,561,600	0
Federal Funds	0.0	0.0	0.0	0.0	0	0	0	0
Intra-District Funds	0.0	0.0	0.0	0.0	0	0	0	0
Other Funds	0.0	0.0	0.0	0.0	0	0	0	0

Trauma Care Fund

Table II **Agency Appropriated Summary by Expenditure Type**

Expenditure Type	Staffing (FTE)				Funding			
	FY 92 Actual	FY 93 Budget	FY 93 Revised	FY 94 Proposed	FY 92 Actual	FY 93 Budget	FY 93 Revised	FY 94 Proposed
Personal Services								
Regular Pay	0.0	0.0	0.0	0.0	0	0	0	0
Other Pay	0.0	0.0	0.0	0.0	0	0	0	0
Additional Gross Pay	0.0	0.0	0.0	0.0	0	0	0	0
Fringe Benefits	0.0	0.0	0.0	0.0	0	0	0	0
Total Personal Services	0.0	0.0	0.0	0.0	0	0	0	0
NonPersonal Services								
Supplies					0	0	0	0
Energy					0	0	0	0
Communications					0	0	0	0
Building Rent					0	0	0	0
Other Services & Charges					0	0	0	0
Subsidies & Transfers					0	5,561,600	5,561,600	0
Equipment					0	0	0	0
Total NonPersonal Services					0	5,561,600	5,561,600	0
TOTAL AGENCY	0.0	0.0	0.0	0.0	0	5,561,600	5,561,600	0

Pay Adjustment

Agency Overview

Due to the financial constraints of the District, employees did not receive pay increases in FY 1991 and FY 1992. While resources continue to be limited, modest compensation adjustments have been proposed for FY 1993, FY 1994 and FY 1995. The FY 1994 appropriated proposed budget includes $70,680,000 for Pay Adjustments and the revised FY 1993 requests $7,880,000. These funds will provide for the following pay adjustments:

- The police were offered a salary adjustment of six percent (6%) in FY 1994 and an additional five percent (5%) in FY 1995. In addition, in FY 1993, a base retention differential would be granted to officers who have completed 18 months of service. This offer was rejected and is now in mediation.

- A negotiated settlement with the fire employees provides for a six percent (6%) increase in FY 1994, a five percent (5%) increase in FY 1995 with a work schedule adjustment in FY 1993.

- The District's last best offer to Compensation Units 1 and 2 provides for a two percent (2%) increase effective August 1993 (FY 1993), a five percent (5%) adjustment effective November 1993 (FY 1994) and a five percent (5%) increase effective October 1994 (FY 1995).

- A five percent (5%) adjustment is proposed for non-union employees in FY 1994.

Pay Adjustments		
Employee Groups	**FY 1993**	**FY 1994**
Police	3,537,000	18,972,000
Fire	2,643,000	8,400,000
Compensation Groups 1 & 2	1,700,000	24,080,000
All Others		19,228,000
Total	**7,880,000**	**70,680,000**

Resizing

Agency Overview

Mission

The Resizing Agency is a temporary entity created in FY 1992. The mission of the agency is to address the downsizing mandate of the District government, pursuant to the authority of D.C. Law 94-7 , the District of Columbia Government Merit Personnel Act of 1978 Emergency Amendment Act of 1991.

Program Description

Legislation was adopted in 1991 which instituted a specialized reduction-in-force, and included incentives for employees to take advantage of early retirement options. In addition, a Temporary Appeals Panel (TAP) was legislated by D.C. Law 94-7 to address the appeals of separated employees. The law expired in July 1992. Legislation was passed, extending the life of the panel into FY 1993, to complete all cases pending before it. The Temporary Appeals Panel will complete its tasks by mid-year FY 1993.

Agency Budget Summary

The Resizing Agency was appropriated a supplemental budget of $5,510,000 and 6 full-time equivalent (FTE) positions in FY 1992. Funds of $5,059,000 were budgeted to make severance and annual leave payments. In addition, $451,000 and 6 FTE positions were allotted to carry out the work of the Temporary Appeals Panel. In FY 1993, the budget for the Temporary Appeals Panel is $224,968 and 5 FTE'S.

Table I **Agency Staffing and Funding Detail**

Programs	Staffing (FTE Positions)				Funding			
	FY92 Actual	FY93 Budget	FY93 Revised	FY94 Proposed	FY92 Actual	FY93 Budget	FY93 Revised	FY94 Proposed
Temporary Appeals Panel	3.3	0.0	5.0	0.0	640,636	0	225,000	0
Downsizing	0.0	0.0	0.0	0.0	3,508,679	0	0	0
Temporary Appeals Panel	3.3	0.0	5.0	0.0	4,149,315	0	225,000	0
Total Agency	0.0	0.0	5.0	0.0	4,041,670	0	225,000	0
Appropriated Funds	**0.0**	**0.0**	**0.0**	**0.0**	**0**	**0**	**0**	**0**
Federal Funds	0.0	0.0	0.0	0.0	0	0	0	0
Intra-District Funds	3.3	0.0	0.0	0.0	107,645	0	0	0
Other Funds	2	2	2	2	108	225	225	225

Resizing

Table II **Agency Outputs**

Measures	FY 1991	FY 1992	FY 1993	FY 1994
Number of Cases Appealed	0	112	0	0
Number of Cases Resolved by 9/30/92	0	73	0	0
Number of Cases Remaining 10/1/92	0	0	39	0

Table III **Agency Appropriated Summary by Expenditure Type**

Expenditure Type	Staffing (FTE)				Funding			
	FY 92 Actual	FY 93 Budget	FY 93 Revised	FY 94 Proposed	FY 92 Actual	FY 93 Budget	FY 93 Revised	FY 94 Proposed
Personal Services								
Regular Pay	0.0	0.0	0.0	0.0	45,539	0	0	0
Other Pay	0.0	0.0	5.0	0.0	263,881	0	110,000	0
Additional Gross Pay	0.0	0.0	0.0	0.0	3,548,247	0	0	0
Fringe Benefits	0.0	0.0	0.0	0.0	17,465	0	14,000	0
Total Personal Services	0.0	0.0	5.0	0.0	3,875,132	0	124,000	0
NonPersonal Services								
Supplies					1,856	0	2,000	0
Energy					0	0	0	0
Communications					2,983	0	1,000	0
Building Rent					148,837	0	79,000	0
Other Services & Charges					0	0	16,000	0
Subsidies & Transfers					0	0	0	0
Equipment					12,862	0	3,000	0
Total NonPersonal Services					166,538	0	101,000	0
TOTAL AGENCY	0.0	0.0	5.0	0.0	4,041,670	0	225,000	0

Furlough Adjustment

Language is included in the FY 1993 Appropriations Act under the appropriation title "Furlough Adjustment", which states that "...each agency, office, and instrumentality of the District, except the District courts, shall furlough each employee of the respective agency, office, or instrumentality for 1 day in each month of the fiscal year beginning October 1, 1992, or a proportional number of hours for part-time employees." The Act also exempted those employees essential for the protection of public health and safety, to include police, fire, and emergency medical services.

The implementation of furlough cost containment measures will achieve a savings of $36,000,000 in FY 1993. District agencies, except for exemptions as noted, have been allocated a proportionate share of the savings on the basis of each agency's level of Full Time Equivalent(FTE) positions. The Proposed FY 94 budget does not include provisions for a furlough adjustment.

ALLOCATION OF FURLOUGH ADJUSTMENT	
AGENCY	ALLOCATION
Council of the District of Columbia	288,000
Office of the D.C. Auditor	28,000
Office of the Mayor	64,000
Office of the Secretary	56,000
Office of the Inspector General	40,000
Office of Communications	13,000
Office of Intergovernmental Relations	79,000
Office of theDep Mayor/City Administrator	99,000
Office of Personnel	500,000
Department of Administrative Services	536,000
Contract Appeals Board	17,000
Deputy Mayor for finance	11,000
Office of the Budget	51,000
Office of Financial Management	376,000
Department of Finance & Revenue	696,000
Board of Elections & Ethics	58,000
Office of Campaign Finance	37,000
Public Employee Relations Board	10,000
Office of Employee Appeals	39,000
Total, Governmental Direction and Support	**2,992,000**

Furlough Adjustment

ALLOCATION OF FURLOUGH ADJUSTMENT	
AGENCY	ALLOCATION
Deputy Mayor for Economic Development	43,000
Office of Planning	92,000
Office of Zoning	9,000
Department of Housing & Community Development	84,000
Department of Public & Assisted Housing	90,000
Department of Employment Services	367,000
Office of Business & Economic Development	46,000
Office of International Business	11,000
Board of Appeals & Review	2,000
Board of Equalization & Review	3,000
Department of Consumer & Regulatory Affairs	955,000
Public Service Commission	154,000
Office of the People's Counsel	56,000
Total, Economic Development & Regulation	**1,913,000**

Furlough Adjustment

ALLOCATION OF FURLOUGH ADJUSTMENT	
AGENCY	ALLOCATION
Metropolitan Police Department	830,000
Fire Department	118,000
Office of the Corporation Counsel	458,000
Public Defender Service	271,000
Pretrial Services Agency	98,000
Department of Corrections	2,271,000
Board of Parole	162,000
National guard	47,000
Office of Emergency Preparedness	71,000
Commission on Judicial Disabilities & Tenure	4,000
Civilian Complaint Review Board	17,000
Total, Public Safety & Justice	**4,347,000**
District of Columbia Public Schools	16,525,000
University of the District of Columbia	1,875,000
D.C. School of Law	77,000
D.C. Education Licensure Commission	6,000
D.C. Public Library	575,000
Commission on the Arts & Humanities	13,000
Total, Public Education System	**19,871,000**

Furlough Adjustment

ALLOCATION OF FURLOUGH ADJUSTMENT	
AGENCY	ALLOCATION
Department of Human Services	4,912,000
Department of Recreation & Parks	664,000
Office on Aging	27,000
Dept of Human Rights & Minority Business Development	70,000
Office on Latino Affairs	17,000
Commission for Women	8,000
D.C. Energy Office	3,000
Total, Human Support Services	**5,701,000**
Department of Public Works	1,898,000
D.C. Taxicab Commission	41,000
Total, Public Works	**1,939,000**
TOTAL, APPROPRIATION	**36,000,000**

Table I **Agency Staffing and Funding Detail**

Programs	Staffing (FTE Positions)				Funding			
	FY92 Actual	FY93 Budget	FY93 Revised	FY94 Proposed	FY92 Actual	FY93 Budget	FY93 Revised	FY94 Proposed
Furlough Adjustment	0.0	0.0	0.0	0.0	0	(36,000,000)	0	0
Total Agency	0.0	0.0	0.0	0.0	0	(36,000,000)	0	0
Appropriated Funds	0.0	0.0	0.0	0.0	0	(36,000,000)	0	0
Federal Funds	0.0	0.0	0.0	0.0	0	0	0	0
Intra-District Funds	0.0	0.0	0.0	0.0	0	0	0	0
Other Funds	0.0	0.0	0.0	0.0	0	0	0	0

Within-Grade Adjustment

Agency Overview

In accordance with the FY 1993 Appropriations Act, "...no employee of any agency, office, or instrumentality of the District shall receive a Within-Grade Adjustment during the fiscal year ending September 30, 1993, and no time during the fiscal year ending September 30, 1993 shall accrue toward the waiting period for advancement to the following rate within the grade". Accordingly, the spending authority for each District agency, office, and instrumentality is reduced proportionately to achieve a spending reduction of $13,000,000. This provision will not continue into FY 1994.

ALLOCATION OF WITHIN-GRADE ADJUSTMENT	
AGENCY	ALLOCATION
Council of the District of Columbia	65,000
Office of the D.C. Auditor	6,000
Office of the Mayor	30,000
Office of the Secretary	16,000
Office of the Inspector General	9,000
Office of Communications	3,000
Office of Intergovernmental Relations	11,000
Office of theDep Mayor/City Administrator	12,000
Office of Personnel	110,000
Department of Administrative Services	101,000
Contract Appeals Board	3,000
Deputy Mayor for finance	1,000
Office of the Budget	10,000
Office of Financial Management	77,000
Department of Finance & Revenue	160,000
Board of Elections & Ethics	13,000
Office of Campaign Finance	8,000
Public Employee Relations Board	2,000
Office of Employee Appeals	8,000
Total, Governmental Direction and Support	**647,000**

Within-Grade Adjustment

ALLOCATION OF WITHIN-GRADE ADJUSTMENT	
AGENCY	**ALLOCATION**
Deputy Mayor for Economic Development	10,000
Office of Banking & Financial Institutions	4,000
Office of Planning	21,000
Office of Zoning	2,000
Department of Housing & Community Development	26,000
Department of Public & Assisted Housing	21,000
Department of Employment Services	85,000
Office of Business & Economic Development	12,000
Office of International Business	3,000
Board of Equalization & Review	1,000
Department of Consumer & Regulatory Affairs	224,000
Public Service Commission	35,000
Office of the People's Counsel	13,000
Total, Economic Development & Regulation	**458,000**

ALLOCATION OF WITHIN-GRADE ADJUSTMENT	
AGENCY	**ALLOCATION**
Police Department	1,800,000
Fire Department	679,000
D.C. Court of Appeals	39,000
D.C. Superior Court	490,000
D.C. Court System	45,000
Office of the Corporation Counsel	100,000
Public Defender Service	58,000
Pretrial Services Agency	23,000
Board of Parole	37,000
National guard	10,000
Office of Emergency Preparedness	16,000
Commission on Judicial Disabilities & Tenure	1,000
Civilian Complaint Review Board	3,000
Total, Public Safety & Justice	**3,301,000**

Within-Grade Adjustment

ALLOCATION OF WITHIN-GRADE ADJUSTMENT	
AGENCY	ALLOCATION
District of Columbia Public Schools	6,557,000
University of the District of Columbia	27,000
D.C. School of Law	1,000
D.C. Education Licensure Commission	4,000
D.C. Public Library	298,000
Commission on the Arts & Humanities	11,000
Total, Public Education System	**6,899,000**
Department of Human Services	2,420,000
Department of Recreation & Parks	258,000
Office on Aging	8,000
Dept of Human Rights & Minority Business Development	49,000
Office on Latino Affairs	20,000
Commission for Women	5,000
D.C. Energy Office	8,000
Total, Human Support Services	**2,769,000**
Department of Public Works	494,000
D.C. Taxicab Commission	10,000
Total, Public Works	**504,000**
TOTAL, APPROPRIATION	**13,000,000**

Within-Grade Adjustment

Table I **Agency Staffing and Funding Detail**

Programs	Staffing (FTE Positions)				Funding ($1,000)			
	FY92 Actual	FY93 Budget	FY93 Revised	FY94 Proposed	FY92 Actual	FY93 Budget	FY93 Revised	FY94 Proposed
Within Grades	0.0	0.0	0.0	0.0	0	(13,000,000)	0	0
Total Agency	0.0	0.0	0.0	0.0	0	(13,000,000)	0	0
Appropriated Funds	0.0	0.0	0.0	0.0	0	(13,000,000)	0	0
Federal Funds	0.0	0.0	0.0	0.0	0	0	0	0
Intra-District Funds	0.0	0.0	0.0	0.0	0	0	0	0
Other Funds	0.0	0.0	0.0	0.0	0	0	0	0

Facilities Rental Adjustment

Agency Overview

Mission

The Facilities Rental Adjustment earmarks funds for underbudgeting in District facilities' rents and leases.

Agency Description

These funds will resolve shortfalls associated with past occurences of underbudgeting for rent in District agencies. The funds will be used to pay for additional rent costs for agencies occupying The Presidential Building at 415 12th Street, N.W. which are the result of a lawsuit settled in FY 1991, and also for underbudgeting of rents for selected District agencies.

Agency Budget Summary

The FY 1993 request of $16,682,000 has been allocated to the appropriate agencies to close the shortfall in rent budgets that were determined for the fiscal year. No funds are budgeted for this activity in FY 1994.

ALLOCATION OF FACILITIES RENTAL ADJUSTMENT	
AGENCY	ALLOCATION
Office of the District of Columbia Auditor	227,000
Office of the Secretary	19,000
Office of the Inspector General	230,000
Office of Personnel	175,000
Department of Administrative Services	7,858,000
Contract Appeals Board	154,000
Office of Financial Management	631,000
Board of Elections & Ethics	70,000
Public Employee Relations Board	100,000
Office of Employee Appeals	653,000
Total, Governmental Direction & Support	10,117,000

Facilities Rental Adjustment

Office of Planning	851,000
Department of Employment Services	73,000
Office of Business & Economic Develoment	342,000
Department of Consumer & Regulatory Affairs	260,000
Total, Economic Development & Regulation	1,526,000
Board of Parole	1,414,000
Civilian Complaint Review Board	97,000
Office of Criminal Justice Plans & Analysis	216,000
Total, Public Safety & Justice	1,727,000
D.C. Education Licensure Commission	255,000
Total, Public Education System	255,000
Department of Human Services	3,000,000
Total, Human Support Services	3,000,000
D.C. Taxicab Commission	17,000
Total, Public Works	17,000
TOTAL, APPROPRIATION	16,682,000

Severance Agency

Agency Overview

Mission

Severance Pay is a temporary entity created in FY 1993. The mission of the agency is to provide severance pay to employees who are involuntarily separated from service as a result of reductions-in-force or reorganizations in the District government, pursuant to Bill 10-122, the "Fiscal Year 1993 Supplemental Budget and Rescissions of Authority Request Act of 1993".

Agency Budget Summary

The FY 1993 Revised Severance budget of $10,410,000 will finance the severance payments associated with the reduction-in-force during the fiscal year. Funds were not budgeted for this purpose in the FY 1993 approved budget. No reduction-in-force is planned for FY 1994.

FY 1994: There are no funds required for fiscal year 1994. This is a one time expenditure for FY 1993.

FY 1993 Revised: The FY 1993 revised budget for the Severance Agency is $10,410,000.

Table I **Agency Staffing and Funding Detail**

Programs	Staffing (FTE Positions)				Funding			
	FY92 Actual	FY93 Budget	FY93 Revised	FY94 Proposed	FY92 Actual	FY93 Budget	FY93 Revised	FY94 Proposed
Severance Pay	0.0	0.0	0.0	0.0	0	0	10,410,000	0
Total Agency	0.0	0.0	0.0	0.0	0	0	10,410,000	0
Appropriated Funds	0.0	0.0	0.0	0.0	0	0	10,410,000	0
Federal Funds	0.0	0.0	0.0	0.0	0	0	0	0
Intra-District Funds	0.0	0.0	0.0	0.0	0	0	0	0
Other Funds	0.0	0.0	0.0	0.0	0	0	0	0

Severance Agency

Table V **Agency Appropriated Summary by Expenditure Type**

Expenditure Type	Staffing (FTE)				Funding			
	FY 92 Actual	FY 93 Budget	FY 93 Revised	FY 94 Proposed	FY 92 Actual	FY 93 Budget	FY 93 Revised	FY 94 Proposed
Personal Services								
Regular Pay	0.0	0.0	0.0	0.0	0	0	0	0
Other Pay	0.0	0.0	0.0	0.0	0	0	0	0
Additional Gross Pay	0.0	0.0	0.0	0.0	0	0	0	0
Fringe Benefits	0.0	0.0	0.0	0.0	0	0	10,410,000	0
Total Personal Services	0.0	0.0	0.0	0.0	0	0	10,410,000	0
NonPersonal Services								
Supplies					0	0	0	0
Energy					0	0	0	0
Communications					0	0	0	0
Building Rent					0	0	0	0
Other Services & Charges					0	0	0	0
Subsidies & Transfers					0	0	0	0
Equipment					0	0	0	0
Total NonPersonal Services					0	0	0	0
TOTAL AGENCY	0.0	0.0	0.0	0.0	0	0	10,410,000	0

Inaugural Expenses

Agency Overview

Mission

The mission of the Inaugural Expenses is to reimburse the District government for expenses incurred in connection with the Presidential inauguration activities.

Agency Description

In accordance with Section 737(b) of the District of Columbia Self-Government and Governmental Reorganization Act, Public Law 93-198, the District is authorized to be reimbursed for necessary expenses incurred in relation to assemblages, marches, and other demonstrations in the District of Columbia, which relate primarily to the Federal government. Therefore, an appropriation of $5,514,000 was appropriated in the FY 1993 budget to reimburse the District government for expenses incurred in connection with the Presidential inauguration activities held in January 1993.

Agency Budget Summary

FY 1994: There are no funds required for fiscal year 1994.
FY 1993 Revised: The FY 1993 revised budget did not change from the originally appropriated budget for FY 1993 of $5,514,000.

Budget Strategy and Impacts:

Strategy: The fiscal year 1993 appropriation was to reimburse District agencies for expenses incurred during the inauguration period of January 17, 1993 to January 30, 1993.

The funds appropriated for the inaugural expenses, during the 1993 Presidential inauguration, were to provide the following services: (1) police protection; (2) traffic and crowd control; (3) fire protection and inspection; (4) emergency ambulance service; (5) medical services; (6)health inspections; (7) cleanup activities before and after parade; (8) construction and inaugural stands; (9) securing of manholes and installing and removing poles and cables along the parade route; (10) providing portable water and portable toilets along the inaugural parade route and (12) operating the Mayor's Command Center to coordinate and monitor the District's efforts with the President's Inaugural Committee.
The following is a breakdown by agency of the estimated expenses:

1.	Department of Public Works	2,471,983
2.	Police Department	2,473,787
3.	Department of Recreation	18,252
4.	Department of Human Services	21,000
5.	National Guard	72,000
6.	Fire Department	396,657
7.	Office of Emergency Preparedness	45,000
8.	Department of Administrative Services	11,168
9.	Consumer and Regulatory Affairs	4,300
	TOTAL	5,514,147

Inaugural Expenses

Table I Agency Staffing and Funding Detail

Programs	Staffing (FTE Positions)				Funding			
	FY92 Actual	FY93 Budget	FY93 Revised	FY94 Proposed	FY92 Actual	FY93 Budget	FY93 Revised	FY94 Proposed
Inaugural Expenses	0.0	0.0	0.0	0.0	0	5,514,000	5,514,000	0
Total Agency	0.0	0.0	0.0	0.0	0	5,514,000	5,514,000	0
Appropriated Funds	0.0	0.0	0.0	0.0	0	5,514,000	5,514,000	0
Federal Funds	0.0	0.0	0.0	0.0	0	0	0	0
Intra-District Funds	0.0	0.0	0.0	0.0	0	0	0	0
Other Funds	0.0	0.0	0.0	0.0	0	0	0	0

Table V Agency Appropriated Summary by Expenditure Type

Expenditure Type	Staffing (FTE)				Funding			
	FY 92 Actual	FY 93 Budget	FY 93 Revised	FY 94 Proposed	FY 92 Actual	FY 93 Budget	FY 93 Revised	FY 94 Proposed
Personal Services								
Regular Pay	0.0	0.0	0.0	0.0	0	166,000	166,000	0
Other Pay	0.0	0.0	0.0	0.0	0	0	0	0
Additional Gross Pay	0.0	0.0	0.0	0.0	0	2,966,000	2,966,000	0
Fringe Benefits	0.0	0.0	0.0	0.0	0	31,000	31,000	0
Total Personal Services	0.0	0.0	0.0	0.0	0	3,163,000	3,163,000	0
NonPersonal Services								
Supplies					0	440,000	440,000	0
Energy					0	5,000	5,000	0
Communications					0	0	0	0
Building Rent					0	0	0	0
Other Services & Charges					0	1,626,000	1,626,000	0
Subsidies & Transfers					0	15,000	15,000	0
Equipment					0	265,000	265,000	0
Total NonPersonal Services					0	2,351,000	2,351,000	0
TOTAL AGENCY	0.0	0.0	0.0	0.0	0	5,514,000	5,514,000	0

Mr. DIXON. The Committee will come to order. Today we have with us what we call the "financial cluster"—the people who are responsible for knowing the District's financial condition.

INTRODUCTION OF FINANCIAL CLUSTER

We have the Chief Financial Officer, Ellen O'Connor; the Director of the Department of Finance and Revenue, Sharon Morrow; the D.C. Controller, Anthony Calhoun; the Treasurer, Maria Day-Marshall; and the Director of the Office of Financial Information Services, Alfred Kunz.

Mr. CALHOUN. He is not here.

Mr. DIXON. He is not here, okay. And we also have with us the District's Budget Director, Linda Cheatham. We will take up first the fiscal year 1993 supplemental and then the Office of the Deputy Mayor for Finance, the Office of the Budget; the Office of Financial Management; the Department of Finance and Revenue; Repayment of Loans and Interest, including general fund recovery debt; Pay Adjustments; and Severance Pay. And then we will have some general discussion.

FY 1993 SUPPLEMENTAL REQUEST

I don't know who is prepared to speak to the FY 1993 D.C. supplemental, but the District is requesting a net increase of $117.5 million, consisting of increases of $146.8 million in the general fund and a decreases of $29.3 million in the enterprise funds.

PREPARED STATEMENT ON FY 1993 REVISED AND FY 1994 BUDGETS

If you have a prepared statement, we would be glad to receive it for the record. If you would like to explain the supplemental to us, now is your opportunity.

[The prepared statement follows:]

GOVERNMENT OF THE DISTRICT OF COLUMBIA
EXECUTIVE OFFICE

Chief Financial Officer

441 4th Street, N.W.
11th Floor
Washington, D.C. 20002

Statement of
Ellen M. O'Connor
Chief Financial Officer/ Deputy Mayor for Financial Management
Government of the District of Columbia

D.C. Appropriations Subcommittee
House Committee on Appropriations
U.S. House of Representatives

FY 1993 Revised and FY 1994 Budget Requests

May 26, 1993

INTRODUCTIONS

Good afternoon. Mr. Chairman and distinguished members of the subcommittee, I am pleased to present today the District of Columbia's adopted FY 1993 revised and FY 1994 budget requests for the financial management cluster agencies of the District of Columbia. The agencies of the cluster are the Offices of the Deputy Mayor for Financial Management, Budget, and Financial Management -- the latter of which includes the D.C. Treasurer, D.C. Controller and Financial Information Services -- and the Department of Finance and Revenue. The recently-established Office of Grants Management and Development also is a part of the financial management cluster. The directors of the cluster agencies join me at the table today.

The total operating request for the Office of the Deputy Mayor for Financial Management is $131,000 and 3 positions for FY 1993 revised and $144,000 and 3 positions for FY 1994.

A BILLION-DOLLAR BUDGET GAP

The financial management cluster is responsible for the financial planning and management of the District of Columbia. The need for enhanced revenue collection, tight monitoring and forecasting of revenues and expenditures, creative cash management and more comprehensive analysis of the District's program needs and activities has not diminished. In fact, the task has grown more difficult.

As Mayor Kelly noted in her testimony before you two weeks ago, several factors altered the District's financial picture following Congressional passage in September of our FY 1993 budget. A number of those factors bear repeating:

- o Congressional action on the budget reduced the federal formula payment to the

District costing the city $30 million in FY 1993 and a possible $40 million more in FY 1994. In addition, the Congressional disapproval of the proposed payment-in-lieu-of-taxes for surrounding jurisdictions using the water and sewer utility denied the District another $12 million.

- The national and local economies continued to be weak, and the revenue forecasts for income, sales and property taxes in the District of Columbia were optimistic by $133 million for FY 1993 and $179 million for FY 1994.

- In contrast, the costs of health care -- specifically, Medicaid, employee health coverage, and D.C.General -- shot up by $235 million over the two fiscal years, as did the costs of foster care, AFDC [Aid to Families with Dependent Children], homelessness and general public assistance.

Just 30 days after congressional passage of the District's FY 1993 budget -- and five months after it was submitted to Congress -- the District was already facing a potential one-billion-dollar deficit over fiscal years 1993 and 1994.

While Mayor Kelly presented the problem to and solicited input from the citizens of the District of Columbia, her Council of Economic Advisors, the Advisory Committee on Resources and the Budget and others, the financial management cluster worked with other District government agencies to hold the line on spending. We also saw small improvements in the economy and tax collections. In December 1992, we were able to revise our numbers downward, to about $750 million, over fiscal years 1993 and 1994 -- still a tremendous financial challenge to the District.

LOCAL GOVERNMENT PRIORITIES

The District is committed to producing and adhering to budgets that serve its residents. In concert with the community, the executive proposed a budget that firmly established the priorities articulated throughout the city. The District's budget is a reflection of the programs and services desperately needed and desired by our residents. The budget before you emphasizes:

- Programs and services that meet the needs of our children, including structured recreational activities and major improvements in the public school system.

- Public safety goals aimed at providing safe streets and homes in every neighborhood in the District.

- Fiscal and managerial austerity of the government, as reflected in measures to shrink the size of government, streamline service delivery and bureaucratic processes, and ensure that not only are tax dollars are spent wisely but also that the District recovers money due from entitlement, grant and other such programs.

[With respect to the latter point, the Office of Grants Management and Development was established specifically to help District government agencies secure the maximum amount of federal, foundation and corporate support for District policies and programs.]

Even with reduced resources, we believe that the District has the means to provide the services requested and required of us. But we need the support of this committee.

FEDERAL FORMULA PAYMENT TO THE DISTRICT

The need for a fair federal payment to the District of Columbia is paramount to the District's ability to meet that challenge. The FY 1993 payment of $655.7 million is based on the formula authorized in the District of Columbia Budgetary Efficiency Act of 1991. The federal payment approved by Congress in September 1992 -- under threat of a presidential veto -- resulted in a budget $30 million below the District's request and $5 million below the president's recommendation. Clearly, the difference had a significant impact on the District.

I am hopeful that this year, with your support, we can avoid deja vu. We are well aware that Congress and the District differ in their interpretations of "general fund local revenues collected". The District's interpretation, which is no different from its interpretation a year ago, is based on generally accepted accounting principles. Further, as the District's chief financial officer, I can assure you that these local revenues are included in the annual audit and our comprehensive annual financial report.

The District supports amending the authorizing legislation to define more clearly the implementation of the legislation or to state specifically that the formula is to reflect generally acceptable accounting principles. I respectfully request that you approve the requested federal payment of $671 million for FY 1994 and of $655 in FY 1993.

REVENUES AND A NARROW TAX BASE

The revenue estimates for FY 1993 and FY 1994 presented in the District's budget reflect continuing slow growth in the economy of the District. The declining levels of resident employment in the District, the continuing difficulties in the real estate market, and a declining retail sector all make the District's recovery long and difficult. The revised forecast of general fund revenues for FY 1993 is $3.453 million and for FY 1994, $3.365 million.

In addition to the slow economic recovery, the District's revenue is further affected by the District's narrow tax base. The financial cluster, in cooperation with economic development agencies, took great pains to balance proposed tax increases with the least possible adverse impact on residents, businesses and the economy. We also balanced the proposed increases against the reality of the District's narrow tax base.

Because of federal regulations, more than 40 percent of all real property value is exempt from taxation and nearly two-thirds of all income earned here is exempt from District taxes. Even with the measures cited by the Mayor's Management Advisory Committee, such as

hiring additional auditors to increase enforcement of tax collection and restructuring its fees for services, the District is hard-pressed to find ways to generate additional revenues or otherwise to expand its tax base.

CONCLUSION

A number of issues affecting the financial condition of the District of Columbia have been enumerated throughout the budget cycle this year. The District's financial management cluster, however, continues to address and resolve these concerns. The District again ended its fiscal year with a small surplus, a significant achievement given that resources have continued dwindling as demands for services continue to increase.

We are continuing the automation of our tax department and the position management system in the Office of Personnel. We are saving millions of dollars through debt refinancing -- more than $29 million to date -- and helping to stimulate economic development through deposits in small, local banks. And, we are tackling the issues surrounding the District's unfunded pension liability. Through it all, the District has maintained its credit ratings and the faith of the municipal markets.

Mr. Chairman and members of the subcommittee, this concludes my testimony. Thank you for the opportunity to appear before you. The directors of the financial management cluster agencies and I will be happy to respond to any questions you may have.

OPENING REMARKS OF CHIEF FINANCIAL OFFICER

Ms. O'CONNOR. Good afternoon, Mr. Chairman, good afternoon, Congressman Walsh, good afternoon, Mr. Miconi. We are pleased to be before you today to discuss the 1993 supplemental generally, the 1994 budget request for the individual agencies of the finance cluster, as well as the 1994 budget of the District generally.

FEDERAL FUNDING REQUEST

We are prepared to answer your questions and will provide any additional information which you require. Our goal this afternoon is to urge you and arm you with arguments to support full funding of the Federal contribution to the District government.

That is an additional $30 million in fiscal year 1993, bringing the Federal support from $625 million to $655, as well as in 1994 to bring it up to $671 million. By way of explaining the supplemental request, I must report to you the financial condition and forecast that the budget director and I and our associates found last September.

EXPENDITURE FORECASTS

We forecast a nearly $1 billion problem in the District of Columbia, brought on by I think equal parts recession and declining revenues, as well as substantial cost increases in our program commitments. We presented the Mayor a series of options, financial options, to cure these problems.

MAYOR'S COMMUNITY MEETINGS

The Mayor in her wisdom decided that she would involve the community and the citizens in this decision-making process, went through a long and laborious process of talking to the citizens throughout the District in every ward.

And I am here to report to you that whether it was Gucci Gulch or U.S. KEDs territory, the priorities of the citizenry were the same, children first. We will support our kids, don't take any of the money away from the schools, don't take any money away from the youth initiative.

Second, streamline that government. You are fat, you are bloated, you are not automated, you don't have strong customer service, and we think you can do a lot better.

Third, we are concerned about public safety and the well-documented problems of crime in the District, and commissioned the Mayor and the City Council and the elected leaders to figure it out. The figuring out of that product is the one before you with regard to fiscal year 1993.

EFFORTS TO ELIMINATE DEFICIT

Our problems are pretty substantial in fiscal year 1993. We had seen a $250 million gap. When the problem is right up close to you, we were of course in the middle of fiscal year 1993 in determining this problem, we brought a number of cures to bear.

We are making a recommendation to change the property tax year, we are making a recommendation to gain some benefit from

tax increases, we are making a recommendation to have substantial reductions in program operations in 1993. Those are the cures.

REASONS FOR INCREASED SPENDING

The reasons why the budget is going up is the commitment to the Medicaid program. Health care is a tremendous, well talked about area of cost. The District has substantial commitments in the health care area, D.C. General, the public health department, the Medicaid program. For those three sources, we documented well over $100 million worth of cost increases if we were going to keep those programs going.

Other areas of cost included some beginning commitment to cost of living adjustments for our employees. You may know that our employees have not had cost of living adjustments in three years, as well during this fiscal year, 12 furlough days. They are getting a little restless back at the ranch with regard to the amount of money that we are paying for the hard work we ask of them.

Other areas within human services that are increasing in cost are foster care, child welfare, family services. Well documented in the Washington Post, as well as in the courts, is the failing attempt of the District to come to grips with the required service delivery to these areas.

Although we believe we have made great progress, the courts in their wisdom have required that additional spending be committed.

DISTRICT'S COMMITMENT TO BOND HOLDERS

I am going to ask Linda to say—one other big piece of money that would—oh, the debt service, well-known debt service.

I would say the premier commitment that the District of Columbia has as far as payables is concerned, and I say this as much to you, Mr. Chairman, as I do to our bond holders in Wall Street, we consider the payment of debt our highest responsibility. The District has issued a substantial amount of debt through the general fund recovery bond and the annual borrowings.

The estimate of the required increase in cost of debt service during fiscal year 1993 therefore was a net of $21 million dollars. And those are the principal areas that occasioned the cost increases in 1993. And the budget director hasn't poked me, so I think I must have covered them all.

CONCERN OVER $30 MILLION FEDERAL PAYMENT FOR FY 1993

Mr. DIXON. Okay. I realize the difficult job that you have in trying to balance the budget for the District. But just let me ask you a couple of questions that I never raise, but the District continues to raise them and I think I have to assert the position of the Committee every time it is raised, and that is what is owed in the Federal payment?

Now as it relates to fiscal year 1993, it is my understanding that in your revised budget you are including $30 million and you itemize it as "pending authority, Federal payment." I am wondering how you are going to make up that shortfall, because the reality—I mean you know the speech.

In reality, that is not the way this Committee nor the House sees it. You asked for a Federal payment of $655,653,000 last year based on your interpretations of the formula Federal payment authorization and your calculations. We went through another calculation and arrived at $624,854,400. So there is at best some dispute, but I would think this request of $30 million is unrealistic for at least two very major reasons: One, we have used up our allocation of money for fiscal year 1993, and two, although you assert your interpretation of the authorizing legislation, Congress at this point doesn't agree with your interpretation.

And so, you know, how are you going to make up this $30 million that is not going to come from the Federal government? Am I right in what I am saying here?

Ms. O'CONNOR. Well, it is certainly true that we are requesting an additional $30 million.

Mr. DIXON. Right.

Ms. O'CONNOR. And I would say to you that whether it is by formula or good fortune, Mr. Chairman, we would look for an additional $30 million. You championed us last fall with an additional payment of $28 million.

Mr. DIXON. But right this very moment is the 1993 supplemental. It is being discussed on the Floor at this very moment. It does not include any additional money for the District.

And I understand how difficult it is for the District, but I am saying it is not going to happen. We are now—there are two supplementals on the Floor. The second one is accompanied by a lot of rescissions and everyone is very upset because we are providing funds for this program but you are cutting back on that program.

All I am saying, Ellen, is that it is unrealistic to include this $30 million as something that is going to balance your budget in fiscal year 1993. So therefore how—what are the contingency plans to make up this $30 million shortfall?

Ms. O'CONNOR. We are working with Mrs. Norton's office and we do understand that an examination of the law and then the actual arithmetic calculation of the formula is ongoing. So one of the things that we are doing is to look at curing our problems.

Mr. DIXON. But it is prospective. I don't think she is going to be able to impact 1993. It is already gone, it is going right down the road downstairs right now, unless there is a third supplemental, and I doubt if there is going to be a third supplemental.

And I welcome Mrs. Norton's, you know, involvement, and I think that she may be successful in changing the formula prospectively, but not retrospectively. So how are you going to make up the $30 million that you have put down here on this piece of paper that, as far as I can see, is not going to come to fruition? That is what I am asking.

IMPACT OF $30 MILLION DEFICIT

Ms. O'CONNOR. Okay. We would—the loss of $30 million would be a stick of dynamite for the District. It would be—because we have no reserves to fall back on, no savings account or bank account, it would immediately impact operations.

It is likely with so little time left in the fiscal year that it is not possible to find actions in fiscal year 1993 to balance the budget. That possibly will be greeted with very unfriendly eyes by credit rating agencies and the Wall Street community. It could involve a downgrading of the District's credit.

Were we to be downgraded, we couldn't borrow any money. That would immediately impact our construction programs in the public works department and the education department. It will also immediately affect the transit authority, of whom we are a principal supporter. It would impact their ability to continue construction.

Failing to balance in 1993, will move the problem to 1994. What will we do in 1994 to recover $30 million? It is a discussion that the budget director and I have had and have had intensively. It could easily involve an additional reduction of staff on the order of 1,000, and depending upon the size of the hole, more.

We know that we will stay with our priorities. Our priorities are children first. We would not seek additional cuts in the schools. We will not seek additional cuts in the youth initiative. Everything else must be examined. We will look where we spend money. The District of Columbia spends money in criminal justice, 20 cents out of every dollar. Judiciary, for example, came through this budget with no cuts.

We would go back and reexamine, with no doubt very harmful impacts which they are better able to explain than I, cuts in the judiciary. We would look at the subsidy to the transit authority. We would look at the public works department. We must look at where we spend big time money.

Depending on the size of the hole, the more difficult and traumatic the cuts will be. We had followed a formula in balancing 1994 to try to get 80 percent of our problems solved through spending reductions and 20 percent cured through revenue increases.

You may remember that the Mayor had originally recommended to the City Council, District Council, a $50 million tax increase. They had little stomach for $50 million worth of taxes. They chose instead $25 million. We might lead them back to reexamination of the $25 million they didn't take, or some piece of that.

So we would look at and follow the same path that the United States Government is looking at, as well as the States and counties and cities around the country. And through a combination of spending reductions, very harmful, quickly impacting on operations, and tax increases, get ourselves back in balance.

We will put ourselves back in balance. We do not find it acceptable to be out of balance. The only thing that would keep us out of balance is the want of time. Even reducing the number of employees is a process that can easily take three months by appropriately observing the rules, regulations, notices, appeals, and so forth.

So even if we make up the set of decisions, Mr. Chairman, within the next week or two, it is unlikely to feel the benefit of the effect of those actions until well after the close of the year.

Mr. DIXON. Okay. Well, once again I only raise it so that at least everyone is well aware of the fact that there is a $30 million dispute that has not been brought to any closure. That is the best way to state it.

Ms. O'CONNOR. Right. Well, I think the budget director just reminded me, too, to make sure that I am clear that we are not—that at the time we put the budget together, the first Clinton stimulus package was before you and at that time there was an increase in the Federal payment in fiscal year 1993. So that is to convey to you that we are not entirely delusional.

Mr. DIXON. No, it was not an increase in the Federal payment. It was $28 million earmarked for a specific issue. See, I mean I want to be clear, it was not the President—he may have wanted to do that, and that was his intent, but he sent up a $28 million supplemental for, I believe, the youth and crime initiative. So it wasn't part of any Federal payment.

It was money coming to the District. See, we have to be very careful because next year someone will say, well, the Federal payment was more than last year. It was additional Federal money, it would have helped you out, but it was not, to use term of art, an additional Federal payment.

I didn't know that he was taking sides in, yes, $30 million is owed to the District by formula as asserted by the District. And that is what I want to keep clean in all of these transactions. When we start talking loose and, boom, well, we got it last year and this year we are shortchanged.

I know we will take a lot of heat for a lot of things related to the District. But, you know, I will read or see, well, it was a $30 million shortfall in the Federal payment. And it should say, "comma," as asserted by District officials, but disclaimed by Congress. That is all. And I don't want to beat it into the ground.

Ms. O'CONNOR. Good, okay.

Mr. DIXON. When you slip those words in here—there was $28 million——

Ms. O'CONNOR. No, I think it is important for us to talk about it, Mr. Chairman. The copy of the stimulus package that we saw did indicate that it was to be an increase in the Federal payment.

Mr. WALSH. Here is the supplemental. This is urban, housing initiatives.

Mr. DIXON. Well, that is my letter to her. This doesn't help a lot because I sent the mayor a letter saying that there was $28 million and I was supportive of it.

Mr. WALSH. Well, we made the point, too, that we did not see that as a way to fill that gap from the year before. It was part of the supplemental and not to be considered part of the formula.

Mr. DIXON. Yes, it would definitely have helped and you would have only been $2 million short.

Ms. O'CONNOR. For what it is worth, we have—Linda and I have had several discussions with staff at OMB and that is the new crowd at OMB. And they had indicated——

Mr. DIXON. But the new crowd at OMB was not a part—they didn't sign the formula authorization bill, they weren't a part of the authorization process or the hearings. So it is somebody else coming in and saying yes, I think you are right.

At any rate, all I want to say is that there appears to be a further adjustment required because you are going to be $30 million—

because you are counting on $30 million, that at least for fiscal year 1993, I just don't think is very realistic.

Ms. CHEATHAM. And we understand that, Mr. Chairman, and the only point of saying that it was in the stimulus package, to suggest that we weren't pipe dreaming, if you will.

Mr. DIXON. At the time.

Ms. CHEATHAM. At the time, that there was some basis for doing it.

Ms. O'CONNOR. Also to give you some comfort that we have thought about the implications of this and that I have tried to lay out for you this afternoon what those implications are.

Mr. DIXON. Right, and I understand that. Yes, to be fair, the $28 million economic stimulus supplemental is under the heading of "Federal payment to the District" for an additional amount for Federal payment to the District to provide for essential jobs, public safety, health and other municipal services.

On the other hand this $30 million supplemental you are now requesting would provide funds to help the District cover part of an estimated $300 million deficit. What did my language say?

My language said that the $28 million was not a part of the Federal payment.

FY 1993 ECONOMIC STIMULUS REPORT LANGUAGE

The President's economic stimulus proposal never became law.

Ms. O'CONNOR. Yes.

Mr. DIXON. The House said yes and the Senate said no. Let me read into the record the language from page 17 of House Report No. 103–30: "The Committee wishes to make clear that the Federal payment of $28,177,000 recommended in this bill is over and above the Federal payment authorized in the formula set forth in Public Law 102–102, approved August 17, 1991"—I might as well read the rest—"which established the Federal payment at 24 percent of general fund local revenues collected by the District Government two years prior to the budget year and reviewed by the Comptroller General of the United States. That amount for fiscal year 1993 is $624,854,400 and was appropriated in the District's annual appropriations bill for fiscal year 1993."

And there we have the crux of the problem. I worked with Mrs. Norton to—I would say "modify" it, and she would say "clarify" it. But the point is at the moment neither has been done—it hasn't been modified and it hasn't been clarified.

Ms. CHEATHAM. And we have a problem.

Mr. DIXON. And there is a problem.

SHIFTING OF FY 1994 TAXES TO FY 1993

The only other question I have for whomever would be responsible is to explain the shifting of the 1994 real property taxes to correspond to the fiscal year?

Ms. O'CONNOR. Yes.

Mr. DIXON. Okay. Some of that FY 1994 money will be applied to the FY 1993 budget?

Ms. O'CONNOR. That is correct.

Mr. DIXON. Okay. Explain it in more detail.

Ms. O'CONNOR. I wanted Sharon Morrow, the Director of the Department and Finance and Revenue, to talk some about what work we have done to assure that that doesn't have harmful effects throughout the District, and then Tony is going to talk about the accounting implications and why it will balance the budget.

First Sharon, and then we will go to Tony.

CHANGING TAX ASSESSMENT PERIOD

Ms. MORROW. During this recent real property tax assessment period, we sent out notices the 1st of March, prior to that we attended over 30 community group meetings as well as meetings with various other business associations to explain the impact of the change of the real property tax year to allay any fears that people had that they would be paying more money.

And I think we were fairly successful in terms of explaining, because when in fact we had the hearings before the council, there were very few comments regarding it. And please make sure that you clearly understand that it has no impact in terms of a cash outlay.

This is strictly a matter of changing the accruals that we have been carrying on the books here in the District of Columbia. And also I am sure that you will find it a little easier to understand our financial statement presentations henceforth, because we won't be trying to separate one quarter of the fiscal year.

Mr. DIXON. Right. But it was done in the desire to balance the books?

Ms. MORROW. Well, certainly that was the primary purpose. But also it makes it a lot easier when we are talking about fiscal year as opposed to real property tax year, when they coincide and they are one.

Mr. DIXON. Right.

Ms. O'CONNOR. Tony, can you——

Mr. CALHOUN. Historically, Mr. Chairman, you will remember that this was brought about because of the change in the Federal fiscal year when it was July 1st, to June 30th, and our tax year coincided with that.

When the Federal fiscal year moved, our tax year was not changed. And that was just prior to home rule. And nobody got around to changing that. The ideal situation would have been to collect the taxes for that quarter, but then we decided that would have been kind of chaotic because everybody is used to paying at a certain time and a certain amount, so we would have been charging them for an extra quarter.

So this has two purposes. One, from a managerial standpoint, you get your tax year and the fiscal year on the same basis because in the past three quarters of the current year and one quarter from the prior tax year were counted in the current fiscal year. And it created some confusion from a financial standpoint.

What we were able to do by doing this, the people are going to pay at the same time, but legislatively we changed the tax year. So then what you are paying for when you make a payment in September, is different than what you paid for in the past. That is all because the tax year is shifted. This also had a one-time benefit

that in effect you get five quarters worth of revenue in one year, but one year only.

And from then on you are back on four quarters again and that was the prime purpose. But what has been shown in our financial statements is deferred revenue, the part of that that is the property tax, moves up as current year revenue now. That is the benefit that you get one time only.

Mr. DIXON. Mr. Walsh.

SALARY INCREASES

Mr. WALSH. Thank you, Mr. Chairman. Ellen, you said that city workers have not received a cost of living allowance in three years, or do you use that term interchangeably with raises?

Ms. O'CONNOR. I do. I have leftover vocabulary from my old employer. I mean any sort of a general pay increase.

Mr. WALSH. Okay, that is what I thought.

BONDING LIMITS AND OPTIONS

How close is the city to its constitutional bonding limit? Do you have a limit like most cities?

Ms. O'CONNOR. We wish we had a constitution, Congressman. I am sorry.

Mr. CALHOUN. The Home Rule Act.

Ms. O'CONNOR. Sorry, in the Home Rule Act, there is a requirement of no more than 14 percent of the general fund expenditures.

Ms. DAY-MARSHALL. For debt service?

Ms. O'CONNOR. So out of the 100 percent that you spend, no more than 14 percent can be for debt service. And I am going to defer to Maria to put you in the know about where we are.

Ms. DAY-MARSHALL. Our debt to revenue ratio, which is the calculation provided for in the Home Rule Charter, is about 10.46 percent.

Mr. WALSH. Right now?

Ms. DAY-MARSHALL. Right now.

Mr. WALSH. And the upper limit is 14?

Ms. DAY-MARSHALL. That is right.

Mr. WALSH. And the debt, that 10.4 percent is a percent of what?

Ms. DAY-MARSHALL. Of the District's general fund revenues, total general fund revenues.

Mr. WALSH. All right. So of all the revenues that you take in, sales tax and property tax and other taxes?

Ms. O'CONNOR. And Federal payment. Anything that is an inflow.

Ms. DAY-MARSHALL. And Federal payment.

Mr. WALSH. 10.4 percent of that is spent on debt service.

Ms. DAY-MARSHALL. 10.4 percent is spent on debt service.

Mr. WALSH. Now, that would not be 10.4 percent of your expenditures?

Ms. DAY-MARSHALL. No. It is a debt to revenue calculation.

Mr. WALSH. Okay.

Mr. CALHOUN. It is general fund revenue. We have a lot more expenditures, other funds and so forth.

BOND REFINANCING

Mr. WALSH. Right. The city is considering refinancing its bonds. Where does that stand?

Ms. DAY-MARSHALL. We have and we are in the process of doing so. The District just recently within the last couple of months refinanced about $800 million worth of debt for savings to the city of about $29 million.

Mr. WALSH. There is the $30 million right there.

Ms. DAY-MARSHALL. It is not all in fiscal year 1993.

Mr. CALHOUN. We wish.

Ms. O'CONNOR. The District Council was already on to this one and anticipated these savings in the 1993 and 1994 budget.

Ms. DAY-MARSHALL. Right.

Ms. O'CONNOR. So although that was a pretty good idea——

Mr. WALSH. And that is $800 million that you are refinancing. Are you looking for any other?

Ms. DAY-MARSHALL. We are in the process now of refinancing another $300 to $400 million worth of debt and we expect savings in the range of $10 to $20 million from that.

Mr. DIXON. If you would just yield?

Mr. WALSH. Be happy to yield.

FUNDING FOR ONE JUDICIARY SQUARE

Mr. DIXON. On an issue that Mr. Walsh, I don't know if you were here when Ric Murphy, the Director of the Department of Administrative Services, was here.

Ms. O'CONNOR. Yes.

Mr. DIXON. But Mr. Walsh asked the DAS Director, Ric Murphy, about the increase of $13 million for FY 1993 for One Judiciary Square and Mr. Murphy said it was for the "construction for the building, the halls, the telecommunication wiring, the general wiring."

And in the FY 1994 budget you have $7 million. And, as I understand it, if you charged it to capital rather than operating, that at least that would free up some money.

Mr. Walsh asked Mr. Murphy why those costs weren't paid from capital funds as opposed to current operating revenues.

Mr. Murphy's basic response was, "It could be, but the District took it out of operating funds".

Ms. CHEATHAM. Sure, I will be glad to respond.

Mr. WALSH. You could bond for that if it is capital.

Ms. CHEATHAM. The $13 million for the Department of Administrative Services was not primarily for construction. If you recall, the fiscal year 1993 budget had an agency called "facilities rent" that was about $16 million.

Mr. DIXON. Right.

Ms. CHEATHAM. In the fiscal year 1993 revised budget, we allocated the dollars in that particular account to the agencies to properly show where it was going to be spent. About $8.4 million of the $13 million was for the ground lease of One Judiciary Square, which is not an appropriate capital expenditure.

Mr. DIXON. So it really is in fact an operating expense.

Ms. CHEATHAM. It was primarily operating, it was not construction—it was associated with the building, but it was not construction for the building.

Mr. DIXON. Go ahead, Mr. Walsh.

HIGH TAX RATE

Mr. WALSH. Okay. This is sort of a "beauty is in the eyes of the beholder" question, but how would you react to the contention that the tax base is in decline because residents are leaving because they can get the same services more cheaply in the suburbs as opposed to the opposite?

Ms. O'CONNOR. I will ask Sharon to talk about some of that.

Ms. MORROW. We do spend a fair amount of time thinking about what is influencing the value of property. The largest swings in valuation are not in residential property. The swings, the noticeable and large swings, are in the valuation of commercial property. We are certainly aware of the fact that the costs of doing business in the District—I am certainly including the property tax and other taxes paid by businesses—are quite high, and that the tax burden that doing business in the District puts on a business is nearing, if not has already reached, the disincentive point.

We were very aware that our tax burden for businesses as well as residents is already so high that, as we looked at the financial problems and gaps that we saw, we knew there was no substantial cure coming through increased taxes. And that was not as much a partisan decision as it was a reality decision, that we are surrounded by property and counties where the cost of living or the costs certainly of doing business are much lower, and that we understand that we are often putting forward an ugly choice for business.

So what little we could do this time around was to not make it any worse for them. Now a goal, of course, would be to lower those tax rates.

COMPARISON TO GERMANY

Mr. WALSH. Right. I was just reading a Business Week magazine last night, and they were talking about Germany. Germany has the most expensive wage rates in the world, $25 to $50-an-hour on average for manufacturing. It is pretty high. I think that includes fringe benefits. They have the highest—they have nine percent unemployment. They are trying to assimilate——

Ms. O'CONNOR. Did you say nine?

Mr. WALSH. Nine. They have the highest inflation right in Europe and they are trying to assimilate Eastern Germany, which is a socialist, communist—planned economy. So they are kind of at the crossroads for the future there and the United States—and I guess you would extrapolate that down to Washington, D.C., is facing similar challenges. And what the Germans have decided—and D.C. is not assimilating any countries.

Ms. O'CONNOR. We are not the Communists, right?

Mr. WALSH. No, I can't imagine how you would get to that conclusion. No, the point that I was trying to make is that there are a couple of ways to get your economy going again. The United States has decided, at least the current administration has decided

to raise taxes, increase government spending and basically prime the pump.

Germany is going to cut government size, they are going to cut business taxes, they are going to reduce regulation. And you know the two very divergent choices there. And I think the city has done more to reduce the size of its government than the Federal government has lately. That is the direction that I would like to see the District of Columbia go.

It creates hardships in the short term, but in the long term, it is an investment in the city and I think that is what we are all about. But they are not easy choices and I understand your dilemma.

We are going to be hard-pressed to come up with any more money and I think the Chairman was right in saying don't plan on anything more than what has been proposed, because it won't be there.

INCENTIVES FOR TAXPAYERS

Ms. MORROW. Certainly, though, we are also trying to look at ways of increasing the housing stock we have here in the District of Columbia, as well as providing incentives for taxpayers who have vacant property to do something with that property, as well as abandoned buildings, to in fact start to improve those buildings so they can be inhabited.

Generally speaking, the criticism that you will hear of the District is that the cost of housing is much higher here than it is in surrounding jurisdictions. And certainly that is because we have such a limited amount of land here in the District of Columbia. But what we are doing in moving forward with the Class 5 legislation—which you may be familiar with and is also in our budget—is that we are raising the rates up to $5 for fiscal year 1994, to encourage those taxpayers sitting on that vacant land to do something with it. As well, we are submitting legislation to the Council whereby individuals who have abandoned buildings have two years in which to complete improving those buildings so they can be inhabited or else they also will be included in the Class 5 property rate. And that $5 rate, as opposed to right now the $1.54 rate, will be a major incentive we hope.

Mr. WALSH. I think that is wise, rather than be punitive, be constructive and positive and provide a carrot. One of the big problems I think the city has right now is that the tax base and property values will go down, not up, in the short term, and anything you can do to get these vacant properties productive again and which raises their assessment, which raises your ability to tax them and spread the tax base out. Those are the exact same problems that the City of Syracuse has, the City of New York, Chicago, Toledo, everywhere else. But I think if we are going to get the cities going again, it is not going to be by taxing the people that live there more, it is going to be by taxing them less.

I have no further questions Mr. Chairman.

Mr. DIXON. Ms. Kaptur, we have what we call the financial cluster here today, so anything to do with the District's finances, probably this group which is in charge of the District finances can answer.

FORMULA FEDERAL PAYMENT

Ms. KAPTUR. Well, Mr. Chairman, I am sure that you have solved the formula problem prior to my arrival at the meeting so I won't get into that here.

Mr. DIXON. I think the formula problem has been solved. There is just some people who dispute the resolution.

COMPARISON OF GERMAN ECONOMY WITH UNITED STATES

Ms. KAPTUR. I understand that you will be receiving the official testimony shortly; is that correct?

Mr. DIXON. Yes.

Ms. KAPTUR. So I won't take much time except to comment on something Mr. Walsh said concerning Western Europe and the United States. I would have to look at the numbers for Germany, but it seems to me that most of those social welfare states in Western Europe have about a half and half distribution of public versus private sector dollars in the economy——

Mr. WALSH. Object.

Ms. KAPTUR. And we are at about 20/80. We have been there for quite a long time, although it fluctuates. So I think the distribution of our dollars is a bit different, although I can't exactly say what Germany's distribution is today.

TAX BASE

I have always thought that the District of Columbia's major problem is it really didn't have any industry and largely had service, retail. And I think at one point, the only industry here was the Government Printing Office and I think they moved that out, didn't they?

Mr. CALHOUN. No, they are still here.

Ms. KAPTUR. They're still here? Good. But I think they have a very——

Mr. WALSH. What is their assessment?

Mr. CALHOUN. Don't say that too loud.

Ms. O'CONNOR. They don't pay taxes.

Ms. KAPTUR. You have an atypical tax base. And as you look at these empowerment zones that they are talking about, I assume that the District of Columbia is going to apply for one of those if we are able to get them passed, I agree with what Jim says, how do you get more tax producers in some of our major metropolitan areas that are nonsuburban portions of those districts.

I struggle with doing that versus metropolitanizing the tax base and getting rid of a lot of layers of government in terms of trying to save the taxpayers money. I think Ohio has got something like, maybe, 2,000 school districts. Maybe we should just have 88.

Mr. WALSH. If you will yield, we have been fighting that battle, too. What it comes down to is school districts and police turf issues and it is a tough nut to crack.

Ms. KAPTUR. In view of that, it is hard to attract industry back.

ABANDONED HOUSING STOCK

I did want to ask, how many vacant, abandoned buildings do you have in the District of Columbia? Is it a large number out of your total housing stock?

Ms. MORROW. Well, when you say is it a large number, any number is too large considering that we need the revenues. But in terms of our total number of properties in the District, we have approximately 140,000 taxpayers who pay either Class 1 or Class 2 real property taxes. Those are residential properties. And we estimate that about 5,000 properties are going to be included in that tax base for Class 5 in terms of, quote, unquote, abandoned buildings.

Ms. O'CONNOR. So 5,000 out of 140,000 would, by our looking, qualify as abandoned.

Ms. KAPTUR. Okay, thank you, Mr. Chairman.

Mr. DIXON. Mr. Bonilla.

Mr. BONILLA. Thank you, Mr. Chairman.

AUTOMATION

Ms. Cheatham, I was interested in how you have come so far in such a short period of time on automating your systems and eliminating things like White-Out. Isn't it kind of mind-boggling?

Ms. CHEATHAM. Yes, it was mind-boggling.

Mr. BONILLA. Tell us about that a little bit.

Ms. CHEATHAM. I guess all I can say is that I was amazed when I got to the budget office that we were still preparing a budget with typewriters. And I was fortunate enough to have staff people who were as committed as I was to automating the system. And with a lot of hard work and screaming and fighting, we were able to get it done.

Mr. BONILLA. Where are you right now and how much more do you need to do?

Ms. CHEATHAM. Like any first-year project, our motto this year was you only do it one time, once. We have some modifications that we need to make. We had a task force of agency heads or agency staff working with us in terms of what kinds of information would be useful to them. We are in the process of convening the group back to see how it worked, taking comments from our staff.

There is some more connection that needs to be made with the accounting system. We have come a long way, but there is still a number of fine-tuning and improvements that we can make. I guess, you know, our greatest accomplishment we think is that it was done all in-house with the assistance of the Controller's Office; the Treasurer; DFR; the Director, Financial Information Service, Mr. Kunz; that it was a collaborative effort, and we did save a lot of money by doing it ourselves, using the information that was currently available.

Mr. BONILLA. Is it just your sense from working for the city that other agencies are also up to speed or was this a unique situation?

Ms. CHEATHAM. Up to speed in terms of?

Mr. BONILLA. In terms of just the technology that you are using. You never know, if you don't ask, there might be something out there that would never——

Ms. CHEATHAM. The District has a long way to go in terms of its automation District-wide. You know, we still had—I had a rotary telephone until May the 14th.

Mr. BONILLA. This year?

Ms. CHEATHAM. Yes, and there are still a number of agencies who continue to have rotary telephones. So we do have a ways to go.

Mr. BONILLA. That is amazing.

Ms. CHEATHAM. Yes, it is. But we are committed to change and we are on a mission to make it better.

Mr. BONILLA. Thank you.

RESIDENCY REQUIREMENTS

Ms. Morrow, I am just–I am a new Member and a new resident of the District and I——

Ms. MORROW. Welcome.

Mr. BONILLA. I love the District of Columbia. I have said it before this panel and I think that in many cases the District gets a little bit too much criticism out in the heartland because there is so much to offer here.

Does the District restrict the employment of people who work for the city to residents of the District?

Ms. MORROW. In terms of our forecasts or——

Mr. BONILLA. No, is it a requirement that you live here in order to be an employee of the District government?

Ms. MORROW. Oh, no, personnel rules were changed back in the mid–1980s, which allowed you to get a job here and you weren't required to have to live in the District. Right now, we have residency preferences, where whenever you get ready to hire a new employee, if an applicant lives in the District of Columbia, she or he has to be selected before someone from outside can be selected, if all applicants are on the same register.

Mr. BONILLA. So that allows you to keep a fairly high percentage of District residents?

Ms. MORROW. As a matter of fact, it doesn't, unfortunately, because people who are grandfathered in can move out of the District and once you have come on to the District payroll, you only have to stay five years and then you can leave again.

Mr. BONILLA. So what percentage would you say roughly now are, even if it is a rough figure?

Mr. CALHOUN. About half.

Ms. MORROW. They say, and I am speaking of Lorraine Green, who says about 50 percent of the employees don't live in the District.

Mr. CALHOUN. I pay them. It is about half.

Mr. BONILLA. A couple of other questions.

Mr. DIXON. If Mr. Bonilla would just yield for a second.

Mr. BONILLA. Sure.

Mr. DIXON. I am reminded by Mr. Miconi that that was an interest that Mr. Hoyer and Mr. Gallo and others had, and that was legislated through this committee. Prior to that, the general rule was that you must be a resident with certain exceptions for jobs that were hard to fill and so forth.

Ms. MORROW. That is correct.

IMPACT OF NO RESIDENCY REQUIREMENTS

Mr. BONILLA. In your opinion, how does that affect your base of potential employees? Is it better for the District?

Ms. MORROW. You are talking to the person who is responsible for finances in the District. So don't forget every dollar counts and if you don't live here in the District, that means we don't get that income here in the District of Columbia. So I am going to tell you absolutely it does not benefit the District.

As a matter of fact, I don't like the rule. If I had my druthers, everybody who works for the District of Columbia would be forced to live in the District. And also I think living here helps you take a greater sense of pride in terms of this is your home. So no, it doesn't make me very happy at all. And I don't think, from a fiscal standpoint, it is a good situation for the District of Columbia.

Mr. DIXON. But it is also exacerbated by hard-to-fill positions that are competitive in the marketplace and rather than move into the District, if I am in great demand, I will seek a job someplace else. That is what occurred in certain cases and there had to be exceptions made on a case-by-case basis.

Ms. MORROW. That was in fact true for a while. And it may be true to a lesser degree now, but you know, with the hard fiscal times that the country is in, there are a lot of people here in the District of Columbia who in fact are looking for jobs. You know, I recently hired, in terms of my senior staff, five individuals and they were happy to move into the District of Columbia and some of them already lived here in the District of Columbia.

So, you know, I think that a restriction really——

Mr. DIXON. The point I am making is that people would come here and say, "Just because I am not a brain surgeon, I should be able to exercise the same right. You made the exemption for brain surgeons, but I am an accountant."

They would make the case—you are right—that because of a certain status or demand, they were being treated unequally. We had a policewoman testify here that residency was being applied unfairly, that you had to make exemptions because you had to have this brain surgeon who said I am not moving—I am not moving into the District, I am willing to work for the District, take it or leave it. The District said, "Okay, we will make the exception."

The police officer, said she lived in this area for 10 years, and her kids are going to school, but you are not treating me like the brain surgeon. That was the equity issue here. And so we found it was being mishmashly applied.

Ms. KAPTUR. Mr. Chairman.

Mr. DIXON. Yes, Ms. Kaptur.

Ms. KAPTUR. In terms of yielding here just for 30 seconds. It seems to me that 50 percent of the people is more than an exception. I come from a community of 350,000 people and we have a residency rule. Somehow, that was held constitutional and it is the rule for the police force, and the fire force. I am shocked, I didn't know that that was the situation in D.C. So I thank Mr. Bonilla for causing this discussion to occur.

Mr. DIXON. For police and fire, the general rule is how fast can you get back to your place of work if an emergency occurs. But we had a lot of pressures from the outlying metropolitan areas.

Mr. CALHOUN. They have Congressmen and we don't.

Mr. DIXON. Mr. Bonilla.

Mr. BONILLA. I appreciate, by the way, your candor because a lot of times problems go overlooked or don't get attention. I appreciate that very much.

STAGNANT COMMERCIAL OFFICE MARKET

A couple of other quick questions on unrelated issues. The stagnant commercial office market that you project is going to be pretty bad for the next 4 years, I guess. Don't you think you are a little pessimistic on that or what do you base that on?

Ms. MORROW. Well, it takes approximately 5 years from conception to the actual building of a commercial office facility here in the District of Columbia. And back in the mid to late-1980s we had a tremendous boom here in the District of Columbia.

And as a result, you can look all around, we have beautiful office buildings and we even have a couple right now that are actually growing out of the ground at this point in time.

But we have gotten to the point that we are saturated, and because we don't have more businesses moving in at this point in time, we are finding that because of those factors and the overall economy, we cannot fill those office buildings. Right now we have a 13 percent vacancy rate. And don't get me wrong, compared to a lot of the large cities throughout the country, we are still doing very, very well. But we are not seeing the boom that we saw for so many, many years. And until this glut is filled up, we don't anticipate that we are going to be able to foresee any new construction going on.

You know, one of our indications of course are permits taken out at the Department of Consumer and Regulatory Affairs. It is not happening anymore. So we are just being realistic. And as you may also know, we get statements every year from all commercial property owners, called Income and Expense Reports, in which they tell us what the vacancy rates are, what rents they negotiated, and you will be amazed at how they are having to lower their rents to stay competitive now.

And consequently, we noticed when we just went through the assessment process recently that a lot of people from the outlying areas, for instance upper Wisconsin Avenue, are moving downtown because they can get prime commercial office space for the same amount that they were paying when they were up in the outlying inner city areas.

TOURISM

Mr. BONILLA. And my last question relates to tourism, which is projected to grow by all accounts. I have a newspaper article here that projects that as well, because it is a very popular city to visit of course. But you are projecting that the revenues from taxable hotel rooms will be flat for the rest of the decade in spite of the fact that tourism is projected to increase, and continue to increase for the District.

Ms. MORROW. Well, something that I am sure you are well aware of also is, we are attracting more people here to the District and tourism is slightly up this year; the hotel industry is of course very, very enthusiastic about it. But all of the hotels have special weekend bargains and that—the weekend bargain rates they are utilizing are in fact causing an overall decline in terms of the total revenue which they receive. Though the occupancy may be going up, the actual revenue is staying constant or slightly declining. So that is the reason why.

Mr. BONILLA. Thank you very much.

Thank you, Mr. Chairman.

DEPUTY MAYOR FOR FINANCE (SEE PP. 1269–1271)

Mr. DIXON. Now, as it relates to the individual budgets for fiscal year 1994, the Office of the Deputy Mayor for Finance is requesting $144,000 and three positions for fiscal year 1994, an increase of $2,000 above the fiscal year 1993 enacted appropriation level and no change in the number of positions. Ms. O'Connor, if you have a statement for the record, we would be pleased to receive it.

I understand that you do not have a prepared statement. We will make a note of that.

QUESTIONS FOR THE RECORD

I have some questions that I will submit for you to answer for the record.

[The Committee's questions and the Deputy Mayor's responses follow:]

QUESTIONS FOR THE RECORD

OFFICE OF THE DEPUTY MAYOR FOR FINANCE

QUESTION:

1. What is the District's current bond rating?

   a. Is this the rating with or without the purchase of insurance? Please explain.

ANSWER:

1. The District's current bond ratings are "A-," "Baa" and "A-"by Standard & Poor's Corporation, Moody's Investors Service, Inc. and Fitch Investors Service respectively. These are the District's ratings prior to the purchase of insurance. The ratings are based on the rating agency's analysis of the District, which includes the District's ability to pay principal and interest on the debt.

QUESTION:

2. What is the status of the FMS upgrade/replacement effort? (page 55 of operations Budget)

ANSWER:

2. The Financial Systems Work Group was organized in January 1992 to develop proposals to upgrade or replace the District's Financial Management System (FMS). This group conducted surveys with several of the large agencies and within the finance cluster. Next, the group developed a strategic deeision making model for use by the finance cluster in determining how to move forward with the replacement of FMS.

   The group determined that the replacement of the FMS should proceed with the replacement of the primary feeder systems including the payroll and tax systems. This decision recognizes that over half of the District's expenses are payroll related and that financial reporting will not be improved sufficiently through FMS without ehancing the capabilities of the data origination points. Moreover, improving the accuracy of month-to-month financial reporting will require ehancing the tax systems to support real time recognition of the tax reeeipts on an accrual basis.

The requirements analysis for the payroll system is near completion. Current estimates are for the system to be operational for calender year 1995. The requirements analysis for the income tax system is also underway. The progress on both projects should be such that the detailed specifications can be developed for FMS beginning in the early part of fiscal year 1994.

QUESTION:

3. On September 24, 1991, the District issued $336.6 million in general fund deficit recovery bonds to eliminate the $331.6 million accumulated general fund deficit (p. 1190, part 1, FY 1993 D.C. hearings).

   a. Has the District incurred any further general fund deficit since those bonds were issued?

ANSWER:

3. No. Since the District issued $336.6 million in general fund deficit recovery bonds to eliminate the $336.6 million accumulated general fund deficit, the District has incurred surpluses of 1.6 and 2.0 million dollars in fiscal years 1991 and 1992 respectively.

QUESTION:

4. How much does the District have outstanding in receivables -- amounts owed the city?

ANSWER:

4. The District's Financial Management System does not display accounts receivable balances on a monthly basis. The system, when implemented, did not have an accounts receivable subsystem. Agencies must maintain their individual account balances in feeder or manual systems.

   The FMS Report 430, which is provided to the D.C. Council in the monthly report package, provides information that is used by the D.C. Controller's Office to monitor cash collections based on the direct and indirect charges to each revenue source.

   Total receivables for the General Fund were $589.2 million at September 30, 1992. Of this amount, $44.0 million was due from interfund borrowing primarily at D.C. General and $153.7 million was due from intergovernmental transactions.

QUESTION:

4a. Are you making progress collecting amounts owed the District, such as overdue water bills which totaled $38.3 million at the end of May 1992 (p.1299, part 1 FY 1993 D.C. hearings)?

ANSWER:

4a. A Cash Management Work Group has been organized under the direct leadership of the Chief Financial Officer. The D.C. Controller and D.C. Treasurer and other members of the finance cluster participate as necessary in the group's weekly meetings.

The group is reviewing the billing and collection procedures at several District agencies and developing specific work plans to implement technology changes to enhance the timing of cash recoveries for several programs. Where necessary, the Office of Financial and Information Services is prepared to make modifications or enhancements to the District's Financial Management System to speed the recovery rate.

The group is working with the Water and Sewer Utility Administration to improve invoice turnaround time for the surrounding jurisdictions and for Federal grants from the Environmental Protection Administration.

The improvements include use of data base software to aggregate and bill invoices at mid-month points and the use of scanning technology to reduce the time required to aggregate and reproduce supporting documentation for the invoices. The executive has requested additional authority to enforce payments of the water and sewer bills for all users.

The plan is included in Title I of the "Omnibus Spending Reduction Act of 1993". The importance of this legislation to improving the Water and Sewer Administration's cash position and enhance the pooled cash balance-cannot be over stated. The executive has in fact proposed a revision to the act that hopefully addresses the D.C. Council's concerns about not making citizens lose services because of their landlord's failure to pay for water.

Accounts receivable for the Water and Sewer Utility Administration were $56.2 million at September 30, 1991 and 46.6 million at September 30, 1992, a decrease of more than $10.0 million.

QUESTION:

4b. Are you able to collect the Federal grants that you budget?

ANSWER:

4b. The reimbursement amounts for many of the District's large Federal grants, including Aid to Families with Dependent Children, Medicaid and Foster Care depend on the number of recipients that actually obtain the services and/or other measures such as the eligible population or number of citizens below the poverty level. In these cases, the grant budgets are estimates for these amounts that are developQd several months before the beginning of the fiscal year and may vary with changes in the economy.

The District, however, does collect most of the revenue that is billed to the Federal government once services are received by our citizens. The Federal government has recognized that many states were not satisfied with the disparate timing of reimbursements for various Federal programs. To provide equity in the timing of the payments, the U.S. Congress passed the Cash Management Improvement Act of 1990 which will take effect in the District of Columbia on October 1, 1993. The bill requires the states and the Federal government to match the timing of the transfer of funds for expenses with the bank settlement dates.

QUESTION:

5. For the record, please update the table on interest rates on page 1300, part 1, of last year's hearings showing the rates of interest the District has been receiving on its invested funds.

   a. Provide for the record a listing of all the District's investments to date, the firms involved, and the interest rate similar to the information on pages 1302-1308 of last year's hearings.

ANSWER:

5. The following is a chart of the District's average annual interest rates for the past seven years. Also included is the rate for the 90 day T-Bill. Please note the Depository Act forbids the District from extending their maturities past 91 days.

FISCAL YEAR	D.C. RATE	90 DAY T-BILL RATE
1986	7.21%	6.47%
1987	6.67%	5.65%
1988	7.10%	6.40%
1989	9.10%	7.76%
1990	8.30%	7.36%
1991	6.80%	5.41%
1992	4.60%	3.91%

(a) See Attachment A

QUESTION:

6. How much did the District pay, directly and indirectly, during fiscal year 1992 in underwriters fees, bond counsel fees, and financial advisor fees?

   a. Who are the District's outside financial advisors and bond counsels?

   b. Please provide for the record a listing of the District's financial advisors and bond counsels and the direct and indirect fees paid to each in fiscal years 1991 and 1992 and budgeted for 1993.

ANSWER:

6. The District paid the following amounts in underwriters fees, bond counsel fees, and financial advisor fees during fiscal year 1992.

Underwriter Fees	$3,607,387.49
Bond Counsel Fees	$ 681,220.42
Financial Advisor Fees	$1,223,438.70

a. The District's current outside financial advisors are Lazard Freres & Company and M.R. Beal and Company. The Districts current outside bond counsels are Lewis, White, Clay, Roxborough and Tillerson; and Dantzler Law Offices.

b. Attachment B is a list of fees paid to current bond counsels and financial advisors during fiscal years 1991, 1992 and thus far in 1993.

Attachment A

District of Columbia Investment Transactions 10/1/92 thru 7/1/93

TRADE DATE	PRINCIPAL	NO. OF DAYS	MATURITY DATE	RATE	DEALER	INTEREST
01-Oct-92	36,000,000.00	4	05-Oct-92	3.250	First Boston	13,000.00
01-Oct-92	36,000,000.00	5	06-Oct-92	3.220	Shearson Leahman Bro.	16,100.00
02-Oct-92	14,000,000.00	5	07-Oct-92	3.150	First Boston	6,125.00
02-Oct-92	14,000,000.00	6	08-Oct-92	3.150	First Boston	7,350.00
05-Oct-92	16,000,000.00	4	09-Oct-92	3.200	Shearson Leahman Bro	5,688.89
06-Oct-92	25,000,000.00	7	13-Oct-92	3.180	Shearson Leahman Bro.	15,458.33
07-Oct-92	12,000,000.00	7	14-Oct-92	3.165	Shearson Leahman Bro.	7,385.00
08-Oct-92	10,000,000.00	6	14-Oct-92	3.160	Shearson Leahman Bro.	5,266.67
09-Oct-92	8,000,000.00	6	15-Oct-92	3.080	First Boston	4,106.67
13-Oct-92	200,000,000.00	1	14-Oct-92	3.500	Shearson Leahman Bro.	19,444.44
13-Oct-92	100,000,000.00	2	15-Oct-92	3.460	Solomon Brothers	19,222.22
13-Oct-92	54,000,000.00	3	16-Oct-92	3.350	Kidder Peabody	15,075.00
13-Oct-92	100,000,000.00	30	12-Nov-92	3.150	Kidder Peabody	262,500.00
13-Oct-92	100,000,000.00	6	19-Oct-92	3.220	Kidder Peabody	53,666.67
14-Oct-92	50,000,000.00	6	20-Oct-92	3.325	First Boston	27,708.33
14-Oct-92	50,000,000.00	7	21-Oct-92	3.305	First Boston	32,131.94
14-Oct-92	50,000,000.00	8	22-Oct-92	3.325	First Boston	36,944.44
14-Oct-92	65,000,000.00	13	27-Oct-92	3.235	First Boston	75,932.64
14-Oct-92	35,000,000.00	1	15-Oct-92	4.050	First Boston	3,937.50
15-Oct-92	25,000,000.00	8	23-Oct-92	3.315	Shearson Leahman Bro.	18,416.67
15-Oct-92	25,000,000.00	35	19-Nov-92	3.165	First Boston	76,927.08
15-Oct-92	25,000,000.00	48	02-Dec-92	3.160	Kidder Peabody	105,333.33
15-Oct-92	39,000,000.00	62	16-Dec-92	3.140	Kidder Peabody	210,903.33
15-Oct-92	25,000,000.00	76	30-Dec-92	3.150	Kidder Peabody	166,250.00
19-Oct-92	68,000,000.00	2	21-Oct-92	3.160	First Boston	11,937.78
19-Oct-92	20,000,000.00	7	26-Oct-92	3.200	First Boston	12,444.44
20-Oct-92	19,000,000.00	8	28-Oct-92	3.185	Shearson Leahman Bro.	13,447.78
20-Oct-92	15,000,000.00	9	29-Oct-92	3.185	Shearson Leahman Bro.	11,943.75
21-Oct-92	25,000,000.00	9	30-Oct-92	3.135	Kidder Peabody	19,593.75
21-Oct-92	18,000,000.00	15	05-Nov-92	3.165	Kidder Peabody	23,737.50
21-Oct-92	25,000,000.00	75	04-Jan-93	3.275	Kidder Peabody	170,572.92
21-Oct-92	50,000,000.00	90	19-Jan-93	3.215	Kidder Peabody	401,875.00
22-Oct-92	15,000,000.00	11	02-Nov-92	3.185	Shearson Leahman Bro.	14,597.92
22-Oct-92	18,000,000.00	12	03-Nov-92	3.185	Shearson Leahman Bro.	19,110.00
22-Oct-92	20,000,000.00	13	04-Nov-92	3.185	Shearson Leahman Bro.	23,002.78
22-Oct-92	15,000,000.00	15	06-Nov-92	3.185	Shearson Leahman Bro.	19,906.25
22-Oct-92	32,000,000.00	16	05-Nov-92	3.185	Shearson Leahman Bro.	50,960.00
23-Oct-92	37,000,000.00	10	02-Nov-92	3.160	First Boston	32,477.78
26-Oct-92	6,000,000.00	7	02-Nov-92	3.210	First Boston	3,745.00
27-Oct-92	35,000,000.00	6	02-Nov-92	3.230	Shearson Leahman Bro.	18,841.67
27-Oct-92	26,000,000.00	14	10-Nov-92	3.190	Shearson Leahman Bro.	32,254.44
28-Oct-92	19,000,000.00	16	13-Nov-92	3.165	Shearson Leahman Bro.	26,726.67
29-Oct-92	2,000,000.00	5	03-Nov-92	3.050	American Security Bank	847.22
30-Oct-92	6,000,000.00	14	13-Nov-92	3.135	First Boston	7,315.00
02-Nov-92	15,000,000.00	11	18-Nov-92	3.180	First Boston	21,200.00
03-Nov-92	7,000,000.00	13	16-Nov-92	3.210	Shearson Leahman Bro.	8,114.17
04-Nov-92	4,000,000.00	1	05-Nov-92	3.050	American Security Bank	338.89
05-Nov-92	25,000,000.00	11	16-Nov-92	3.170	Kidder Peabody	24,215.28
06-Nov-92	10,000,000.00	11	17-Nov-92	3.165	Shearson Leahman Bro.	9,670.83
09-Nov-92	19,000,000.00	14	23-Nov-92	3.205	First Boston	23,681.39
12-Nov-92	18,000,000.00	11	23-Nov-92	3.220	First Boston	17,710.00
12-Nov-92	25,000,000.00	12	24-Nov-92	3.220	First Boston	26,833.33
12-Nov-92	25,000,000.00	13	25-Nov-92	3.220	First Boston	29,069.44
12-Nov-92	32,000,000.00	18	30-Nov-92	3.220	First Boston	51,520.00
13-Nov-92	20,000,000.00	14	27-Nov-92	3.170	First Boston	24,655.56
16-Nov-92	11,000,000.00	1	17-Nov-92	3.250	Kidder Peabody	993.06
17-Nov-92	11,000,000.00	14	01-Dec-92	3.220	First Boston	13,774.44
18-Nov-92	12,000,000.00	13	01-Dec-92	3.190	Shearson Leahman Bro.	13,823.33
19-Nov-92	19,000,000.00	1	20-Nov-92	3.010	Shearson Leahman Bro.	1,588.61
19-Nov-92	22,000,000.00	6	25-Nov-92	3.060	First Boston	11,220.00
19-Nov-92	5,000,000.00	21	10-Dec-92	3.160	Shearson Leahman Bro.	9,216.67
20-Nov-92	12,000,000.00	12	02-Dec-92	3.160	Shearson Leahman Bro.	12,640.00
20-Nov-92	12,000,000.00	13	03-Dec-92	3.160	Shearson Leahman Bro.	13,693.33
23-Nov-92	24,000,000.00	15	08-Dec-92	3.200	First Boston	32,000.00
23-Nov-92	27,000,000.00	16	09-Dec-92	3.200	First Boston	38,400.00
24-Nov-92	10,000,000.00	17	11-Dec-92	3.165	First Boston	14,945.83
25-Nov-92	16,000,000.00	12	07-Dec-92	3.090	Shearson Leahman Bro.	16,480.00
25-Nov-92	20,000,000.00	15	10-Dec-92	3.090	Shearson Leahman Bro.	25,750.00
27-Nov-92	20,000,000.00	61	27-Jan-93	3.900	American Security Bank	132,166.67
30-Nov-92	11,000,000.00	11	11-Dec-92	3.225	First Boston	10,839.58
30-Nov-92	21,000,000.00	14	14-Dec-92	3.225	First Boston	26,337.50
01-Dec-92	23,000,000.00	14	15-Dec-92	3.250	First Boston	29,069.44
02-Dec-92	19,000,000.00	34	05-Jan-93	3.650	First Boston	65,497.22

District of Columbia Investment Transactions 10/1/92 thru 7/1/93

03-Dec-92	11,000,000.00	20	23-Dec-92	3.220 Shearson Leahman Bro.	19,677.78
04-Dec-92	12,000,000.00	19	23-Dec-92	3.180 First Boston	20,140.00
05-Dec-92	16,000,000.00	10	15-Dec-92	3.185 First Boston	14,155.56
08-Dec-92	14,000,000.00	10	18-Dec-92	3.165 Shearson Leahman Bro.	12,308.33
09-Dec-92	15,000,000.00	12	21-Dec-92	3.170 First Boston	15,850.00
10-Dec-92	13,000,000.00	12	22-Dec-92	3.200 First Boston	13,866.67
11-Dec-92	14,000,000.00	13	24-Dec-92	3.160 Kidder Peabody	15,975.56
14-Dec-92	11,000,000.00	9	23-Dec-92	3.170 Kidder Peabody	8,717.50
15-Dec-92	8,000,000.00	9	24-Dec-92	3.235 Shearson Leahman Bro.	6,470.00
15-Dec-92	15,000,000.00	14	29-Dec-92	3.235 Shearson Leahman Bro.	18,870.83
16-Dec-92	16,000,000.00	13	29-Dec-92	3.225 Shearson Leahman Bro.	18,633.33
17-Dec-92	23,000,000.00	14	31-Dec-92	3.250 Kidder Peabody	29,099.44
18-Dec-92	9,000,000.00	19	06-Jan-93	3.770 Shearson Leahman Bro.	17,907.50
21-Dec-92	15,000,000.00	16	06-Jan-93	3.580 Kidder Peabody	23,866.67
22-Dec-92	26,000,000.00	17	06-Jan-93	3.780 Shearson Leahman Bro.	46,410.00
23-Dec-92	29,000,000.00	15	07-Jan-93	3.670 First Boston	44,345.83
24-Dec-92	7,000,000.00	4	28-Dec-92	2.970 American Security Bank	2,310.00
25-Dec-92	24,000,000.00	7	01-Jan-93	3.820 Shearson Leahman Bro.	17,826.67
26-Dec-92	31,000,000.00	7	02-Jan-93	4.125 First Boston	24,864.58
27-Dec-92	34,000,000.00	5	01-Jan-93	3.550 Kidder Peabody	16,763.89
31-Dec-92	20,000,000.00	11	11-Jan-93	3.430 First Boston	20,961.11
05-Jan-93	30,000,000.00	2	07-Jan-93	3.480 Shearson Leahman Bro.	5,800.00
05-Jan-93	25,000,000.00	7	12-Jan-93	3.350 Shearson Leahman Bro.	16,284.72
05-Jan-93	15,000,000.00	9	14-Jan-93	3.350 Shearson Leahman Bro.	12,562.50
06-Jan-93	24,000,000.00	7	13-Jan-93	3.360 Shearson Leahman Bro.	15,680.00
07-Jan-93	40,000,000.00	4	11-Jan-93	3.330 Shearson Leahman Bro.	14,800.00
07-Jan-93	24,000,000.00	8	15-Jan-93	3.300 Shearson Leahman Bro.	17,600.00
08-Jan-93	8,000,000.00	17	25-Jan-93	3.700 First Boston	13,977.78
11-Jan-93	31,000,000.00	2	13-Jan-93	3.160 Shearson Leahman Bro.	5,442.22
11-Jan-93	30,000,000.00	15	26-Jan-93	3.180 Shearson Leahman Bro.	39,750.00
12-Jan-93	15,000,000.00	10	22-Jan-93	3.160 Shearson Leahman Bro.	13,166.67
13-Jan-93	44,000,000.00	8	21-Jan-93	3.105 Shearson Leahman Bro.	30,360.00
13-Jan-93	11,000,000.00	12	25-Jan-93	3.105 Shearson Leahman Bro.	11,385.00
14-Jan-93	11,000,000.00	18	01-Feb-93	3.130 Shearson Leahman Bro.	17,215.00
15-Jan-93	18,000,000.00	13	28-Jan-93	3.130 Kidder Peabody	20,345.00
15-Jan-93	18,000,000.00	14	29-Jan-93	3.130 Kidder Peabody	21,910.00
19-Jan-93	30,000,000.00	9	28-Jan-93	3.230 Shearson Leahman Bro.	24,225.00
19-Jan-93	20,000,000.00	13	01-Feb-93	3.190 Shearson Leahman Bro.	23,038.89
21-Jan-93	23,000,000.00	12	02-Feb-93	3.135 Shearson Leahman Bro.	24,035.00
22-Jan-93	16,000,000.00	17	08-Feb-93	3.125 Shearson Leahman Bro.	23,611.11
25-Jan-93	15,000,000.00	14	08-Feb-93	3.120 Shearson Leahman Bro.	18,200.00
26-Jan-93	30,000,000.00	9	04-Feb-93	3.135 Kidder Peabody	23,512.50
27-Jan-93	20,000,000.00	7	03-Feb-93	3.085 Shearson Leahman Bro.	11,997.22
28-Jan-93	51,000,000.00	8	05-Feb-93	3.115 Shearson Leahman Bro.	35,303.33
29-Jan-93	21,000,000.00	13	11-Feb-93	3.110 First Boston	23,584.17
12-Feb-93	12,000,000.00	4	16-Feb-93	2.980 Shearson Leahman Bro.	3,973.33
16-Feb-93	17,000,000.00	6	22-Feb-93	3.250 Shearson Leahman Bro.	9,208.33
17-Feb-93	14,000,000.00	9	25-Feb-93	3.135 Shearson Leahman Bro.	10,972.50
18-Feb-93	5,000,000.00	8	26-Feb-93	3.050 Shearson Leahman Bro.	3,388.89
19-Feb-93	14,000,000.00	5	24-Feb-93	3.000 First Boston	5,833.33
23-Feb-93	17,000,000.00	2	25-Feb-93	2.980 First Boston	2,814.44
22-Feb-93	7,000,000.00	2	24-Feb-93	3.060 Shearson Leahman Bro.	1,190.00
24-Feb-93	20,000,000.00	5	01-Mar-93	3.020 Kidder Peabody	8,388.89
24-Feb-93	25,000,000.00	6	02-Mar-93	3.020 Kidder Peabody	12,583.33
25-Feb-93	17,000,000.00	6	03-Mar-93	3.030 Shearson Leahman Bro.	8,585.00
26-Feb-93	29,000,000.00	6	04-Mar-93	3.140 First Boston	15,176.67
01-Mar-93	17,000,000.00	4	05-Mar-93	3.360 First Boston	6,346.67
01-Mar-93	17,000,000.00	7	08-Mar-93	3.280 Shearson Leahman Bro.	10,842.22
02-Mar-93	13,000,000.00	7	09-Mar-93	3.220 Shearson Leahman Bro.	8,139.44
05-Feb-93	20,000,000.00	5	10-Feb-93	3.055 Shearson Leahman Bro.	8,486.11
03-Mar-93	10,000,000.00	7	10-Mar-93	3.105 Shearson Leahman Bro.	8,037.50
04-Mar-93	18,000,000.00	6	10-Mar-93	3.080 Shearson Leahman Bro.	9,240.00
05-Mar-93	14,000,000.00	6	11-Mar-93	3.100 First Boston	7,233.33
09-Feb-93	22,000,000.00	9	16-Feb-93	3.110 Shearson Leahman Bro.	17,105.00
08-Mar-93	11,000,000.00	3	11-Mar-93	3.110 First Boston	2,850.83
08-Mar-93	22,000,000.00	4	12-Mar-93	3.110 First Boston	7,602.22
10-Feb-93	20,000,000.00	7	17-Feb-93	3.050 Kidder Peabody	11,861.11
09-Mar-93	13,000,000.00	8	17-Mar-93	3.080 Shearson Leahman Bro.	8,897.78
10-Feb-93	23,000,000.00	9	19-Feb-93	3.170 Kidder Peabody	18,227.50
11-Feb-93	21,000,000.00	12	23-Feb-93	3.125 First Boston	21,875.00
10-Mar-93	28,000,000.00	5	15-Mar-93	3.050 Shearson Leahman Bro.	11,861.11
11-Mar-93	14,000,000.00	5	16-Mar-93	3.080 Shearson Leahman Bro.	5,988.89
08-Feb-93	14,000,000.00	8	16-Feb-93	3.080 Shearson Leahman Bro.	9,582.22
12-Mar-93	7,000,000.00	8	18-Mar-93	3.140 First Boston	3,663.33
05-Feb-93	23,000,000.00	7	12-Feb-93	3.055 Shearson Leahman Bro.	13,662.64
15-Mar-93	15,000,000.00	1	15-Mar-93	3.460 Kidder Peabody	1,730.00
04-Feb-93	6,000,000.00	8	10-Feb-93	3.080 Shearson Leahman Bro.	3,080.00
16-Mar-93	9,000,000.00	3	18-Mar-93	3.180 First Boston	1,590.00
16-Mar-93	16,000,000.00	3	19-Mar-93	3.170 First Boston	4,226.67
02-Feb-93	10,000,000.00	8	10-Feb-93	3.160 Shearson Leahman Bro.	7,022.22

District of Columbia Investment Transactions 10/1/92 thru 7/1/93

17-Mar-93	9,000,000.00	5	22-Mar-93	3.105 Shearson Leahman Bro.	3,881.25
01-Feb-93	37,000,000.00	8	09-Feb-93	3.190 Shearson Leahman Bro.	26,228.89
18-Mar-93	13,000,000.00	5	23-Mar-93	3.100 Shearson Leahman Bro.	5,597.22
19-Mar-93	4,000,000.00	3	22-Mar-93	2.870 American Security Bank	956.67
22-Mar-93	13,000,000.00	2	24-Mar-93	3.020 Shearson Leahman Bro.	2,181.11
23-Mar-93	3,000,000.00	1	24-Mar-93	2.900 American Security Bank	241.67
24-Mar-93	16,000,000.00	1	25-Mar-93	3.000 Kidder Peabody	1,333.33
25-Mar-93	13,000,000.00	1	26-Mar-93	3.010 Shearson Leahman Bro.	1,086.94
25-Mar-93	13,000,000.00	4	29-Mar-93	3.010 Shearson Leahman Bro.	4,347.78
26-Mar-93	18,000,000.00	4	30-Mar-93	3.125 Kidder Peabody	6,250.00
29-Mar-93	11,000,000.00	2	31-Mar-93	3.375 Kidder Peabody	2,062.50
29-Mar-93	12,000,000.00	3	01-Apr-93	3.375 Kidder Peabody	3,375.00
30-Mar-93	39,000,000.00	2	01-Apr-93	3.510 First Boston	7,605.00
31-Mar-93	31,000,000.00	1	01-Apr-93	3.480 Kidder Peabody	2,996.67
01-Apr-93	20,000,000.00	1	02-Apr-93	3.310 Shearson Leahman Bro.	1,838.89
01-Apr-93	27,000,000.00	4	05-Apr-93	3.170 First Boston	9,510.00
02-Apr-93	20,000,000.00	4	06-Apr-93	3.130 Kidder Peabody	6,955.56
03-Apr-93	27,000,000.00	2	05-Apr-93	3.135 First Boston	4,702.50
06-Apr-93	20,000,000.00	2	08-Apr-93	3.110 First Boston	3,455.56
07-Apr-93	27,000,000.00	5	12-Apr-93	3.100 Shearson Leahman Bro.	11,625.00
08-Apr-93	11,000,000.00	1	09-Apr-93	2.850 American Security Bank	870.83
09-Apr-93	11,000,000.00	3	12-Apr-93	2.700 American Security Bank	2,475.00
12-Apr-93	38,000,000.00	1	13-Apr-93	3.275 Shearson Leahman Bro.	3,456.94
13-Apr-93	24,000,000.00	1	14-Apr-93	3.160 First Boston	2,106.67
13-Apr-93	14,000,000.00	2	15-Apr-93	3.170 Kidder Peabody	2,465.56
14-Apr-93	20,000,000.00	2	16-Apr-93	3.150 Shearson Leahman Bro.	3,500.00
16-Apr-93	23,000,000.00	3	19-Apr-93	2.980 Kidder Peabody	5,711.67
19-Apr-93	23,000,000.00	1	20-Apr-93	3.080 Shearson Leahman Bro.	1,967.78
20-Apr-93	23,000,000.00	1	21-Apr-93	2.960 Shearson Leahman Bro.	1,891.11
21-Apr-93	23,000,000.00	1	22-Apr-93	2.940 Shearson Leahman Bro.	1,878.33
22-Apr-93	23,000,000.00	1	23-Apr-93	3.100 Shearson Leahman Bro.	1,980.56
22-Apr-93	28,000,000.00	4	26-Apr-93	3.050 Shearson Leahman Bro.	9,488.89
23-Apr-93	28,000,000.00	4	27-Apr-93	2.980 First Boston	9,271.11
26-Apr-93	20,000,000.00	2	28-Apr-93	3.135 Shearson Leahman Bro.	3,483.33
26-Apr-93	17,000,000.00	3	29-Apr-93	3.135 Shearson Leahman Bro.	4,441.25
27-Apr-93	15,000,000.00	3	30-Apr-93	3.165 Shearson Leahman Bro.	3,956.25
28-Apr-93	20,000,000.00	2	30-Apr-93	3.100 First Boston	3,444.44
29-Apr-93	17,000,000.00	4	03-May-93	3.040 Kidder Peabody	5,742.22
30-Apr-93	15,000,000.00	4	04-May-93	3.060 First Boston	5,100.00
30-Apr-93	20,000,000.00	5	05-May-93	3.060 First Boston	8,500.00
03-May-93	20,000,000.00	3	06-May-93	3.065 Shearson Leahman Bro.	5,108.33
04-May-93	15,000,000.00	3	07-May-93	3.010 First Boston	3,762.50
05-May-93	20,000,000.00	5	10-May-93	3.060 Shearson Leahman Bro.	8,500.00
06-May-93	25,000,000.00	5	11-May-93	3.030 Shearson Leahman Bro.	10,520.83
07-May-93	15,000,000.00	5	12-May-93	2.970 Shearson Leahman Bro.	6,187.50
10-May-93	20,000,000.00	3	13-May-93	3.070 First Boston	5,116.67
11-May-93	25,000,000.00	3	14-May-93	3.060 Shearson Leahman Bro.	6,375.00
12-May-93	5,000,000.00	5	17-May-93	3.060 Shearson Leahman Bro.	2,125.00
13-May-93	10,000,000.00	4	17-May-93	3.070 Shearson Leahman Bro.	3,411.11
14-May-93	25,000,000.00	4	18-May-93	3.060 Kidder Peabody	8,500.00
14-May-93	25,000,000.00	5	19-May-93	3.060 Kidder Peabody	10,625.00
17-May-93	6,000,000.00	3	20-May-93	3.100 First Boston	1,550.00
18-May-93	12,000,000.00	2	20-May-93	3.110 Shearson Leahman Bro.	2,073.33
19-May-93	15,000,000.00	1	20-May-93	3.000 Shearson Leahman Bro.	1,250.00
20-May-93	15,000,000.00	3	23-May-93	2.930 First Boston	3,662.50
21-May-93	15,000,000.00	3	24-May-93	2.930 First Boston	3,662.50
22-May-93	22,000,000.00	1	23-May-93	3.100 First Boston	1,894.44
24-May-93	18,000,000.00	1	25-May-93	3.200 Kidder Peabody	1,600.00
25-May-93	8,000,000.00	1	26-May-93	3.190 Shearson Leahman Bro.	708.89
27-May-93	20,000,000.00	4	31-May-93	3.010 First Boston	6,688.89
26-May-93	8,000,000.00	1	27-May-93	3.470 Kidder Peabody	771.11
27-May-93	22,000,000.00	1	28-May-93	3.180 Shearson Leahman Bro.	1,943.33
28-May-93	22,000,000.00	3	31-May-93	2.960 Shearson Leahman Bro.	5,426.67
27-May-93	48,000,000.00	1	28-May-93	3.140 Kidder Peabody	4,186.67
30-May-93	22,000,000.00	1	31-May-93	3.260 Shearson Leahman Bro.	1,992.22
28-May-93	48,000,000.00	4	01-Jun-93	3.030 Kidder Peabody	16,160.00
29-May-93	5,000,000.00	1	30-May-93	3.060 Shearson Leahman Bro.	425.00
01-Jun-93	24,000,000.00	1	02-Jun-93	3.375 Kidder Peabody	2,250.00
02-Jun-93	17,000,000.00	1	03-Jun-93	3.100 Kidder Peabody	1,463.89
10-Jun-93	8,000,000.00	3	13-Jun-93	2.980 Shearson Leahman Bro.	1,986.67
11-Jun-93	10,000,000.00	1	12-Jun-93	3.080 Kidder Peabody	855.56
14-Jun-93	16,000,000.00	1	15-Jun-93	3.140 Shearson Leahman Bro.	1,395.56
14-Jun-93	20,000,000.00	5	19-Jun-93	3.110 Shearson Leahman Bro.	8,638.89
15-Jun-93	16,000,000.00	2	17-Jun-93	3.100 Kidder Peabody	2,755.56
15-Jun-93	45,000,000.00	1	16-Jun-93	2.850 Kidder Peabody	3,562.50
16-Jun-93	25,000,000.00	2	18-Jun-93	3.110 Kidder Peabody	4,319.44
17-Jun-93	20,000,000.00	2	19-Jun-93	3.130 Kidder Peabody	3,477.78
18-Jun-93	25,000,000.00	2	20-Jun-93	3.320 Kidder Peabody	4,611.11
19-Jun-93	15,000,000.00	2	21-Jun-93	3.150 Kidder Peabody	2,625.00
TOTAL					4,337,833.16
AVERAGES	22,043,103.45	3.04		3.178	18,697.56

Attachment B

Financial Advisors / Bond Counsel	1991	1992	1993
Hunton & Williams (minority counsel 35% Leftwich Moore and Douglas)	308,715.66	21,810.21	0.00
Patton Boggs & Blow	0.00	75,722.38	0.00
Lewis, White Clay Roxborough & Tillerson	0.00	346,662.28	728,580.10
Lazard Freres & Co. and W.R. Lazard & Co.	895,898.17	748,595.09	250,000.00
Dantzler Law Offices	40,889.73	175,218.95	376,538.37
M.R. Beal & Co.	0.00	474,843.61	125,000.00

OFFICE OF THE BUDGET (SEE PP. 1271–1274)

Mr. DIXON. The committee has no problem with the budget as it relates to the Office of the Budget. They are requesting $1,146,000 and 20 positions for fiscal year 1994, a reduction of $321,000 and five positions below the fiscal year 1993 level.

PREPARED STATEMENT OF BUDGET DIRECTOR

Ms. Cheatham, if you have a statement, we will be pleased to receive it for the record.

[The prepared statement follows:]

Testimony of
Linda Moye Cheatham
Director, Office of the Budget
FY 1993 Revised and FY 1994 Budget Requests

D.C. Appropriations Subcommittee
House Committee on Appropriations
U.S. House of Representatives
May 26, 1993

Mr. Chairman and Members of the Subcommittee:

I am pleased to be here today to present the FY 1994 and revised FY 1993 budget requests for the District of Columbia Office of the Budget. Those requests total $2,846,000 and $3,151,000, respectively, and will allow the office to build on a growing record of achievement.

Let me take a moment to review the progress we have made. It has been a very busy, eventful year, and we have instituted many long over-due changes.

First and foremost, we have automated the District's budget process. Gone are the days of manually prepared, over-size budget forms--and all the typewriter strikeovers, white-out fluid, correction tape, and cut-and-paste jobs required to produce them. Gone also is the need to hand develop, from each agency's detailed budget, the summaries you, we, the Council and others need and use. We literally brought the system from the 60's to the 90's in less than a year and a half.

Of course, you have noticed the accompanying presentation format changes. Our budget has a new look and feel, one that you are not accustomed to seeing from us. However, it probably looks very similar to the budgets that your home jurisdictions have been preparing for years.

Our new budget format attempts to answer basic questions like: What District agencies do; Why and how they do it; What their objectives are; And how much it costs to achieve them. It is designed to reflect nationally recognized standards for budget presentation -- standards that are in sharp contrast to the kind of document that we have produced in the past.

The focus in the new format is more on the forest than the trees. However, with our new budget data base--the heart of the automation effort--we aim to provide detail or summary

data at virtually any level you desire. Our intent is to provide the subcommittee with whatever information it feels it needs, regardless of whether we publish it in formal documents or not.

Heretofore, we have not had the capability of simply producing reports from a budget data base--the city had no such common data base. Each agency kept its own numbers, whether on a scratch pad or a PC (or anything in between), and there was never any easy way to bring it together.

In the past, when the subcommittee requested citywide budget or personnel information, we had to ask each agency to prepare a written report. Then we used desk calculators to tabulate the individual submissions. After collating and typing up the results, we eventually delivered an answer--a response very much subject to the vagaries of the process, but a response nonetheless.

In retrospect, it is easy to see how the old budget schedules grew to such dimension and complexity. They represented our mutual staffs' best efforts at providing answers to virtually every question up front, thus avoiding the cumbersome, time consuming process of generating data from scratch.

Our new budget data base is designed to free us *and you* from that kind of outmoded data gathering and reporting effort. We have come a long way, and I realize that we have not yet crossed the finish line with the kind of total product that under more ideal circumstances we could have produced.

We set tough budget development goals and faced unbelievable time constraints. The results are not perfect, but we're not finished. We are already working on necessary improvements, especially in the area of data reporting and replication of the previous supporting schedules.

In the mean time, I ask the subcommittee's understanding for any instance in which we failed to meet your and *our* expectations. We simply ran out of time -- not commitment -- to do all the testing, refining, retesting and debugging required to achieve the totality of our goals.

I would only add that our automation system is a completely home-grown, in-house product accomplished on a virtual shoe-string budget. We circumvented a number of high-priced consulting firms who wanted nearly a million dollars just to study the project (for a year); then we would have faced several millions of dollars and a few years more for implementation.

But this administration is about change. Now. We do not have the luxury of that kind of time or expense. We achieved what we did with existing staff and resources -- from initial

planning to final submission -- in just under a year and a half. And I am proud of that accomplishment.

But our work goes on. By the next budget cycle, we will have implemented required data management fixes. Also we want to better link budget inputs (objects of expenditures) to our workload indicators and through them to performance measures. We recognized that the District must move in the same direction that recent newspaper articles indicate the federal government is moving; that is, we must focus our attention on what is being accomplished for the public by the activities funded by the budget, not just on how the money is being spent.

Before moving on to the specific budget requests under consideration today, I also want to highlight our progress in the area of position budgeting and control. In the past the District's budget documents have not provided a traceable link between positions authorized in the budget, the positions established by the personnel system, and the hiring of people to fill them.

This has been a critical problem, and the Kelly administration is rectifying the situation so that this government can accurately report the numbers and types of authorized positions and FTEs, and say with certainty how those authorizations are being used by the personnel system. This is an ongoing process that will not be completed until late this calendar year, at the earliest.

As a first step, however, last year's FY 1993 budget submission began presenting FTEs in addition to positions. That budget also reflected cost savings from salary lapse and eliminated the fiction of "unfunded" positions.

For the FY 1994 budget, the Schedule A personnel listing was generated directly from the payroll system. Moreover, a personnel reference number was assigned to every position in the budget to ensure that each position will be trackable. In fact, the vacancy report which we provided to your staff last week was electronically produced from the payroll system using this personnel reference number. In addition, the personnel system is being modified so that people can be hired only into positions that are authorized and funded by the budget.

Mr. Chairman, with these kinds of management improvements, I think you will agree that this administration is on the right track As for the immediate business before the subcommittee today, I would like to provide a quick summary and then answer any questions you may have.

The Office of the Budget's total revised FY 1993 request of $3,151,000 includes an appropriated budget of $1,482,000 and 24 FTEs, a net increase of $15,000 and a reduction

of one FTE compared to the approved FY 1993 levels. The request provides $100,000 for a user fee study to examine our revenue structure and recommend appropriate increases and, yes, decreases as warranted. We have far too many revenue accounts and have some fees that have not changed since the early 1900's.

Our total FY 1994 request of $2,846,000 includes an appropriated budget of $1,146,000 and 20 FTEs, a net decrease of $336,000 and 4 FTEs from the revised FY 1993 amounts. To continue to operate effectively within the diminished resources, this office will further expand automation efforts; decentralize various activities, such as reprogramming functions, relying on agencies to carry more of the budget administration load; and focus staff resources on our highest priority analytical needs.

In closing, I want to recognize the tragic loss of our outstanding Council Chairman, John Wilson. I had the privilege of knowing him for about a year and a half. But in that short time he earned my deep respect and sincere admiration. We are all going to miss his leadership and commitment to the future of this city.

Chairman Dixon and distinguished members of the subcommittee, that concludes my prepared remarks. Thank you for the opportunity to appear before you today. If you have any questions I would be happy to address them now.

QUESTIONS FOR THE RECORD

Mr. DIXON. I have some questions that I will submit for you to answer for the record.

[The Committee's questions and the Office of Budget's responses follow:]

Questions for the Record

Office of the Budget

Question 1:

The Committee notes your request for FY 1994 funding for a contracted study of user fees. The budget justification states that this study will determine the appropriate charge for services rendered by District agencies or for the violation of certain statutes. (page 58)

a. When will the study start and be completed?

b. Please provide for the record the scope of services (from the contract documents) for the study.

c. What is meant, in the justification, by "the violation of certain statutes"?

Answer:

a. The study will begin on August 16, 1993, and is expected to take approximately six months.

b. The contract documents have not been fully executed at this point. I am enclosing the Approach and Work Plan that we anticipate using.

c. The study will examine the charges imposed for the violation of certain statutes such as moving violations (traffic), parking violations (traffic), penalties for non-payment, etc.

Question 2:

In last year's conference report, there is a discussion about the budget presentations and a directive for District officials to consult with the House and Senate Appropriations Committees prior to making any changes to the budget documents for the fiscal year 1994 budget.

I notice the budget documents have been changed.

a. Were there consultations with the Committees prior to your making these changes?

Answer:

Unfortunately, due to a problem of communications in the Budget Office the full consultation that both Congress and the Budget Director expected did not take place. However, it is the substance of the material contained in the budget documents and supporting data that is of prime importance to both us

and the committees. In this area our changes were intended to enhance and add to that information, not in any way reduce it.

With our new automated budget data base (developed in one year by on-board staff without having to add any cost to our budget) we were able to produce all the information contained in the previous publications and more. In addition, this information is more reliable than much of the previous, hand produced, data and that portion presented in our published documents is intended to be more user friendly to all users of the budget. The more detailed information needed by the District Council and Congress was available from the Budget Office in either standard or ad-hoc reports.

Question 3:

What is the situation as far as your FY 1993 budget is concerned with respect to revenues and obligations?

Answer:

The apparent loss of the additional $30 million the District anticipated would be restored by Congress for FY 1993 results in a reduction of our total anticipated revenue, not withstanding net increases in other areas of local revenue. In addition with an additional 5 months of data available for FY 1993 our anticipated expenditures are above what was estimated when the budget was developed last February. A revised FY 1993 budget (supplemental II) was adopted by the District Council on July 20, 1993 which puts the budget back in balance.

Question 4:

What contingency plans are there to balance the FY 1993 budget if local revenues end up lower than projections or spending pressures are greater than expected?

Answer:

As mentioned in the answer to question 3, the Council adopeted a revised FY 1993 budget on July 20, 1993 which put the budget in balance.

Question 5:

Is your FY 1994 budget in balance in accordance with the Home Rule Act (Public Law 93-198, sec. 442(a)(1)?

Are any tax increases or fee adjustments required in order to balance the budget as it is presently submitted? (If so, the Home Rule Act, Public Law 93-198, sec. 603(c) requires these tax increases to be identified in the budget.)

Answer:

Section 442(a)(1) of the Home Rule Act (Public Law 93-198) provides that the Mayor shall provide an annual budget which shall include the budget for the forthcoming year in such detail as the Mayor determines necessary to reflect the actual financial condition of the District government for such fiscal years, and specify the agencies and purposes for which funds are being requested; and which shall be prepared on the assumption that proposed expenditures resulting from financial transactions undertaken on either an obligation or cash-outlay basis, for such fiscal year shall not exceed estimated resources from existing sources and proposed resources. Therefore, the budget which the Mayor prepares must be balanced.

As presently submitted, the FY 1994 general fund financial plan provides for total general fund revenues of $4,291,900,000, of which $3,389,071,000 are appropriated revenues and $902,829,000 are grants and other revenue. The appropriated revenues assume a federal payment level of $671,576,000. Total FY 1994 expenditures and other financing uses total $4,291,900,000. Thus the budget, as adopted and submitted to Congress, is balanced. The tax increases and fee adjustments that are proposed in the FY 1994 budget are indicated on pages 30 and 101 of the District of Columbia Fiscal Year 1994 Adopted Budget (Including Revised Fiscal Year 1993 Budget), prepared for the use of the U.S. Congress. The grand total of FY 1994 pending authority is $46,786,000 and the proposed increases in taxes and fees are as follows:

Fiscal Year 1994 Budget Pending Authority
($1,000)

Proposal	FY 93	FY 94
Change tax year 1994 real property tax to correspond to fiscal year	$157,614	$22,386
Increase real property tax rate for Class 5 $3.29 to $5.00	1,300	5,100
Impose $1,500 license on vendors	0	1,500
Tax all confections at 6%	650	2,700
Impose 6% sales tax on selected telecommunication services	1,500	7,600
Impose 6% sales tax on all publications & newspapers	600	2,700
Increase cigarette tax from $.50 to $.65	1100	4500
Expansion of the professional fee	0	300
Total, Pending Authority	**162,764**	**46,786**
Additional Federal Payment*	28,200	0

GRAND TOTAL, PENDING AUTHORITY	**$190,964**	**$46,786**
*President's Request. District Request is $30 million.		
NOTE: Pending authority measures require Congressional approval.		

Question 6:

Please provide for the record the amounts spent for out-of-city travel (including food and lodging) by agency, including each independent agency, for fiscal years 1991 and 1992.

Answer:

The requested expenditures for out-of-city travel are contained in the Following table.

Actual Out-of-City Travel					
Agency	**FY 1991**	**FY 1992**	**Agency**	**FY 1991**	**FY 1992**
Council	5,520	2,666	Public Service Comm	66,908	51,058
DC Auditor	0	325	Peoples Counsel	28,417	11,606
Mayor	15,219	19,834	Police Department	175,046	213,984
Secretary	1,189	553	Fire Department	14,968	25,444
Inspector General	253	2,925	Court of Appeals	8,954	5,622
Communications	0	0	Superior Court	79,755	25,612
Intergovernmental Rel	3,200	3,238	Court System	6,558	2,447
DMOp/City Admin.	703	2,662	Corporation Counsel	9,448	8,463
Personnel	1,388	7,156	Pretrial Services	7,785	10,207
Administrative Service	1,544	5,899	Corrections	87,548	71,665
Contract Appeals Board	0	0	Parole Board	12,033	8,056
Dep. Mayor for Finance	1,545	1,158	National Guard	11,051	12,514
Budget Office	892	958	Office Emerg Prepdnss	8,892	7,154
Financial Management	6,490	17,283	Jud.Dis.&Tenure	1,901	1,999
Finance & Revenue	81,580	34,157	Civln Cmplnt Rvw Bd	5,282	2,532
Elections and Ethics	1,526	400	Public Schools	115,982	187,596
Campaign Finance	754	1,417	UDC	24,363	54
Employee Appeals	0	832	D C Law School	27,384	24,638
Retirement Board.	964	0	Ed Licensure Comm	0	0
Grants Management	116	(98)	Public Library	4,990	4,905
Dep. Mayor Econ Devlop	5,551	2,249	Arts&Humanities	0	3,168
Banking & Financial Inst	0	0	Human Services	303,054	472,568
Planning	1,407	751	Recreation	18,761	25,088
Housing & Community Development	(31)	0	Humn Rights & Min Business	490	6,856
Public & Asstd Housing	405	0	Latino Affairs	0	111
Employment Services	31	14,853	Comm.for Women	0	269

Business & Econ Develop	5,867	8,520	DC Energy Office	88	1,598
International Business	103	2,196	Public Works	(802)	25,903
Consumer & Reg. Affairs	(1,095)	11,852	Taxi Commission	575	0

Question 7:

The District's FY 1993 Supplemental request for the operating budget reflects a net increase of $117.5 million consisting of increases of $146.8 million in the general fund and decreases of $29.3 million in the enterprise funds.

a. How are you financing the increases of $146.8 million--what are your revenue sources?

Answer:

On page 30 of the adopted budget is a table listing the individual revenue adjustments we have proposed in order to balance the FY 1993 and FY 1994 years. The adjustments proposed for FY 1993 are as follows:

Fiscal Year 1994 Budget Pending Authority ($000)

Proposal	**FY 93**
-Increase real property tax rate for Class 5 $3.29 to $5.00	1,300
-Tax all confections at 6%	650
-Impose 6% sales tax on selected telecommunication services	1,500
-Impose 6% sales tax on all publications & newspapers	600
-Increase cigarette tax from $.50 to $.65	1100
Total, Pending Authority	162,764
Additional Federal Payment*	28,200
Grand Total, Pending Authority	**190,964**

*President's Request. District Request is $30 Million

NOTE: Pending authority measures require Congressional approval.

The difference of $44.1 million between the requested adjustments and the net increase is due to reductions in various revenues expected to be received by the District in FY 1993. The individual changes are shown in Appendix D on pages 98 & 99 of the Adopted budget.

These adjustments include an anticipation that Congress would restore the $30 million that was removed from the original FY 1993 budget shortly before it was adopted last year. This loss, combined with other changes to our revenues and expenditures in the 6 months that have elapsed since these estimates were made, requires further amendments to the FY 1993 budget. These amendments have been adopted by the District Council and will be submitted to the Congress in time for incorporation in the final act.

Question 8:

Why is the $180 million split between two fiscal years if the objective of the Mayor's proposal is to have the real property tax year correspond to the Fiscal year?

As I understand it, the $180 million is part of the roughly $380 million that will be collected on September 15, 1993, for the last six months of calendar year 1993 (July through December). And in the past, half of the amount collected was applied to the last three months of the calendar year, Oct., Nov. and Dec., which fell into the next fiscal year; is that correct?

Answer:

It is correct that in previous years the July-December property tax collected in September was split between the current and next fiscal years and the intent of this change is to have it all credited to the year in which it is collected. Fiscal Year 1993 is the year of transition for this adjustment; however, the total amount was not originally necessary to support estimated costs. Therefore the unneeded balance was shown for FY 1994. Since Congress did not, as anticipated, restore the $30 million that was removed from the original FY 1993 budget shortly before it was adopted last year most of these funds are needed for FY 1993. Therefore, the amendments to the FY 1993 supplemental budget and the FY 1994 proposed budget recently adopted by the District Council assumes that this revenue will be available in FY 1993.

Question 9:

Which programs are getting increased funding in this FY 1993 supplemental?

a. Last year's operating budget included a brief explanation of the supplemental request (pp. III-1 through III-35). Is there a similar summary in this year's operating budget? Please explain.

Answer:

Most supplemental adjustments are not one time occurrences but part of an ongoing change that also impacts following years. For example increases in Medicaid costs and health benefit costs for employees (two of the major areas of the supplemental adjustments) have similar affects on the FY 1994 proposed budget. Therefore, in the interest of clarity the budget presentation was changed so that these discussions were discussed at the same time and the reader could see the impact on both fiscal years. Individual changes to both the supplemental request and the proposed budget are discussed in the Adopted Budget. More detailed information on these requests is presented in the supporting schedules in the same manner as previous years. In addition a table was produced from the automated budget data base for Congress summarizing each supplemental increase by agency. In specific answer to the question of which programs got supplemental increases in FY 1993 the following table shows each agency which received an increase.

District Agencies with Net Supplemental FY 1993 Increases			
Agency	Approved	Revised	Net Increase
DC Auditor	832,000	1,061,000	229,000
Contract Appeals Board	475,000	624,000	149,000
Administrative Service	26,262,000	39,018,000	12,756,000
Communications	359,000	419,000	60,000
Budget Office	1,467,000	1,482,000	15,000
Planning	2,585,000	3,260,000	675,000
Financial Management	14,617,000	15,096,017	479,017
Public Employees Relation Board	494,000	528,000	34,000
Employee Appeals	1,271,000	1,845,000	574,000
Statehood Commission	0	100,000	100,000
Housing & Community Development	8,319,000	8,658,400	339,400
Parole Board	5,414,000	6,641,000	1,227,000
Appeals&Review	135,000	168,000	33,000
Loans&Interest	291,299,000	348,687,000	57,388,000
Civilian Complaint Review Board	1,430,000	1,433,000	3,000
Ed Licensure Commission	240,000	486,000	246,000
Human Services	750,423,200	821,194,634	70,771,434
Personal Services	0	7,880,000	7,880,000
Downsizing Expense	0	225,000	225,000
Severance Pay	0	10,410,000	10,410,000
Within-Grade Adjustment	(13,000,000)	0	13,000,000
Employee Furlough	(36,000,000)	0	36,000,000
Settlements & Judgement	13,500,000	18,500,000	5,000,000

Question 10:

What is your fall back position to balance your FY 1993 budget if you don't get the additional $30 million Federal Payment?

Answer:

As discussed in the answers to questions 3 & 4 the impact of the loss of our expected level of Federal support in both FY 1993 and FY 1994 has required us to develop amendments to both our FY 1993 supplemental and our proposed FY 1994 budgets, which were adopted by the Council on July 20, 1993.

OFFICE OF FINANCIAL MANAGEMENT (SEE PP.1275–1277)

Mr. DIXON. The Office of Financial Management is requesting $15,792,000 and 254 positions for fiscal year 1994, which is a net increase of $1,175,000 and seven positions above the fiscal year 1993 enacted appropriation level.

PREPARED STATEMENT OF D.C. CONTROLLER

Mr. Calhoun, if you have a prepared statement for the record, we would be pleased to receive it at this time.

[The prepared statement follows:]

OPENING STATEMENT

OF

N. ANTHONY CALHOUN

D.C. CONTROLLER

ON BEHALF OF

THE OFFICE OF FINANCIAL MANAGEMENT'S
FY 1993 SUPPLEMENTAL BUDGET AND FY 1994 BUDGET REQUEST

BEFORE THE

U.S. HOUSE OF REPRESENTATIVES

COMMITTEE ON APPROPRIATIONS

DISTRICT OF COLUMBIA SUBCOMMITTEE

MAY 26, 1993

IT IS A PLEASURE TO APPEAR BEFORE THE U.S. HOUSE OF REPRESENTATIVES COMMITTEE ON APPROPRIATIONS TO EXPLAIN THE FISCAL YEAR 1994 BUDGET AND THE REVISED FISCAL YEAR 1993 BUDGET FOR THE OFFICE OF FINANCIAL MANAGEMENT (OFM). APPEARING WITH ME IS MRS. MARIA K. DAY-MARSHALL, DISTRICT OF COLUMBIA TREASURER, AND MR. FRED WILLIAMS, FINANCIAL MANAGER, OFM.

THE OFFICE OF FINANCIAL MANAGEMENT IS THE KEY FINANCIAL ORGANIZATION OF THE GOVERNMENT OF THE DISTRICT OF COLUMBIA, RESPONSIBLE FOR SERVING APPROXIMATELY 85 AGENCIES, OFFICES, BOARDS AND COMMISSIONS.

THE THREE OFFICES THAT MAKE UP THE OFFICE OF FINANCIAL MANAGEMENT (OFM) ARE THE OFFICE OF THE CONTROLLER, WHICH IS RESPONSIBLE FOR FINANCIAL REPORTING, CENTRAL ACCOUNTING AND PAYROLL, THE OFFICE OF FINANCIAL INFORMATION SERVICES, WHICH OPERATES THE FINANCIAL MANAGEMENT SYSTEM (FMS) AND RELATED FINANCIAL FEEDER SYSTEMS, AND THE OFFICE OF THE TREASURER, WHICH IS THE CENTRAL DEPOSITORY FOR DISTRICT REVENUES, AND IS RESPONSIBLE FOR THE MANAGEMENT OF THE CITY'S CASH REQUIREMENT AND BORROWING NEEDS. THE MAJOR RESPONSIBILITIES OF OFM INCLUDES:

- ACCOUNTING OPERATIONS AND THE MANAGEMENT OF ALL ACCOUNTS AND FUNDS;
- MAINTENANCE, OPERATION, AND ENHANCEMENT OF FMS;
- VOUCHER AUDIT AND CERTIFICATION FOR 32 SMALL AGENCIES;
- ADMINISTRATION OF PAY AND RETIREMENT FOR THE DISTRICT;
- MANAGEMENT OF CASH, AND ALL BORROWING AND INVESTMENT;
- TREASURY OPERATIONS;
- FINANCE, PROCUREMENT AND ADMINISTRATION FOR OFM, DEPUTY MAYOR FOR FINANCE, AND THE OFFICE OF THE BUDGET;
- PREPARATION OF FINANCIAL REPORTS AND THE COORDINATION OF ALL DISTRICT AUDITS;
- OPERATION OF THE SHARE COMPUTER CENTER WHICH HOUSES THE FINANCIAL PROGRAMS; AND,
- SERVES AS LIAISON FOR THE DISTRICT EMPLOYEES DEFERRED COMPENSATION PROGRAM, AND THE DENTAL AND OPTICAL PLAN.

<u>REVISED FY 1993 BUDGET REQUEST</u>

THE REVISED FY 1993 APPROPRIATED BUDGET REQUEST IS $15,096,000 AND 253.5 FULL-TIME EQUIVALENTS, AN INCREASE OF $479,000 AND 7 FULL-TIME EQUIVALENT POSITIONS ABOVE THE ORIGINALLY APPROVED BUDGET OF $14,617,000 AND 246.5 FULL-TIME EQUIVALENTS. THIS BUDGET INCLUDES A NET INCREASE OF 7 FULL-TIME EQUIVALENT POSITIONS, A NET REDUCTION OF $336,000 IN PERSONAL SERVICES FUNDING, AND A NET INCREASE OF $815,000 IN NONPERSONAL SERVICES FUNDING TO MEET THE SPENDING REQUIREMENTS OF THE FY 1993 BUDGET.

THIS BUDGET TAKES INTO CONSIDERATION THE ESTIMATED SAVINGS FROM FURLOUGH REDUCTIONS OF $370,000, AND WITHIN GRADE REDUCTIONS OF $77,000. A FUNDING REDUCTION OF $452,000 IS INCLUDED TO MEET THE AGENCY LEVEL SPENDING MARK FOR FY 1993. FUNDING INCREASES ARE PROVIDED TO COVER SHORTFALLS IN THE FOLLOWING BUDGET CATEGORIES: $631,000 IN RENTAL PAYMENTS; $300,000 IN OTHER SERVICES AND CHARGES TO COVER THE COST OF THE ANNUAL AUDIT, POSTAGE AND ARMORED CAR SERVICE REQUIREMENTS. ALSO INCLUDED IN THIS BUDGET REQUEST IS AN INCREASE OF $400,000 AND 7 FULL-TIME EQUIVALENTS TO RESTORE FUNDING TRANSFERRED FROM THE RETIREMENT BOARD BUT DELETED BY CONGRESS FROM THE FY 1993 BUDGET. THIS AMOUNT REPRESENTS THE ESTIMATED COSTS FOR PERFORMING RETIREMENT-RELATED FUNCTIONS, INCLUDING RETIREMENT PAYROLL PROCESSING.

THE FY 1994 APPROPRIATED BUDGET REQUEST

THE FY 1994 APPROPRIATED BUDGET REQUEST IS $15,792,000 AND 253.5 FTE'S, AN INCREASE OF $696,000 AND NO CHANGE IN FTE'S FROM THE REVISED FY 1993. THE PERSONAL SERVICES BUDGET REPRESENTS A NET INCREASE OF $204,000 FROM THE FY 1993 APPROVED BUDGET OF $9,691,000. THIS NET INCREASE INCLUDES THE FOLLOWING: AN INCREASE OF $114,000 IN HEALTH BENEFITS; $160,000 IN REGULAR PAY AND 7 FULL-TIME EQUIVALENT POSITIONS; $25,000 IN FRINGE BENEFITS; A DECREASE OF $124,000 IN REGULAR PAY; $15,000 IN FRINGE BENEFITS; AND A REDIRECTION-IN TO REGULAR PAY OF $44,000 IS REQUESTED TO MEET THE COST OF WITHIN GRADE INCREASES.

THE NONPERSONAL SERVICES REQUEST REPRESENTS A NET INCREASE OF $971,000 FROM THE FY 1993 APPROVED BUDGET OF $4,926,000. THE FY 1994 BUDGET INCLUDES AN INCREASE OF $631,000 TO COVER RENT PAYMENTS; AND $300,000 IN OTHER SERVICES AND CHARGES TO COVER THE COST OF THE ANNUAL AUDIT, POSTAGE AND ARMORED CAR SERVICE REQUIREMENTS. ALSO INCLUDED IN THIS BUDGET REQUEST IS AN INCREASE OF $400,000 AND 7 FULL-TIME EQUIVALENTS TO RESTORE FUNDING TRANSFERRED FROM THE RETIREMENT BOARD BUT DELETED BY CONGRESS FROM THE FY 1993 BUDGET. THIS AMOUNT REPRESENTS THE ESTIMATED COSTS FOR PERFORMING RETIREMENT-RELATED FUNCTIONS, INCLUDING RETIREMENT PAYROLL PROCESSING. A REDIRECTION-OUT OF $44,000 FROM OTHER SERVICES AND CHARGES IS REQUESTED TO COVER THE COST OF WITHIN GRADE INCREASES IN FY 1994.

THE FY 1993 REVISED, AND FY 1994 BUDGET REQUESTS REFLECT THE RELATIVELY TIGHT FISCAL CONSTRAINTS AFFECTING THE DISTRICT AND THIS GOVERNMENT'S EMPHASIS ON FUNDING PROGRAMS AND SERVICES BEFORE ADDRESSING ADMINISTRATIVE CONCERNS. THE NET INCREASE IN BOTH THE FY 1993 REVISED AND THE FY 1994 BUDGETS PROVIDES FUNDING FOR MANDATORY OPERATING REQUIREMENTS, INCLUDING FUNDING FOR THE SPACE ALLOCATED TO OFM IN THE PRESIDENTIAL BUILDING.

415 12TH STREET, N.W., WASHINGTON, D.C. 20004. WITH THESE REQUESTS, THE OFFICE OF FINANCIAL MANAGEMENT IS CONFIDENT THAT IT WILL BE ABLE TO SUSTAIN ITS BASIC ACTIVITIES FOR THE DURATION OF FY 1993, AND THROUGHOUT FY 1994.

AS WE CONTINUE INTO FY 1993, AND PLAN FOR FY 1994, WE WILL DO EVERYTHING POSSIBLE TO MAXIMIZE THE EFFECTIVENESS AND EFFICIENCY OF OUR RESOURCES, AND IDENTIFY AREAS FOR IMPROVEMENT IN CARRYING OUT OUR MISSION AND SERVING THE CITIZENS OF THE DISTRICT OF COLUMBIA.

JUST RECENTLY, THE TREASURER'S OFFICE WAS SUCCESSFUL IN COMPLETING ITS FIRST CERTIFICATE OF PARTICIPATION FINANCING USED TO COMPLETE THE PURCHASE OF THE DISTRICT'S NEW OFFICE BUILDING AT ONE JUDICIARY SQUARE. THIS FINANCING AS MUCH AS SAVED THE DISTRICT $73.0 MILLION OVER TWENTY YEARS AND APPROXIMATELY $500,000 IN ANNUAL LEASE PAYMENTS. THIS TRANSACTION WAS APPLAUDED LOCALLY AND NATIONALLY ON THE EFFECTIVE UTILIZATION OF LEASE-BASE FINANCING.

THE PAY AND RETIREMENT DIVISION, OFFICE OF THE CONTROLLER, CONTINUES TO PROVIDE EXCELLENT SERVICE TO DISTRICT EMPLOYEES. IN SPITE OF THE DIFFICULTIES ASSOCIATED WITH THE LACK OF AUTOMATION AND SHORTAGES IN MANPOWER RESOURCES, THE PAY AND RETIREMENT DIVISION, WITHOUT FAIL, CONTINUES TO PROVIDE TIMELY DISTRIBUTION OF DISTRICT EMPLOYEES' PAYROLLS.

THROUGH THE FINE WORK AND DEDICATION OF THE FINANCIAL STAFF OF THE DISTRICT OF COLUMBIA, WE HAVE RECEIVED THE CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING FROM THE GOVERNMENT FINANCE OFFICERS ASSOCIATION OF THE UNITED STATES AND CANADA FOR EACH OF THE LAST 11 YEARS. OF THE 21 STATES THAT HAVE EARNED THIS AWARD, ONLY MARYLAND AND TENNESSEE HAVE RECEIVED IT FOR MORE THAN ELEVEN YEARS. WE ARE PROUD OF OUR RECORD AS A LEADER IN COMPLYING WITH THESE RIGOROUS STANDARDS AND REQUIREMENTS.

THE AWARDING OF THESE CERTIFICATES AGAIN ILLUSTRATES THAT THE PRESENTATION OF THE DISTRICT'S FINANCIAL PICTURE CONTINUES AT AN OUTSTANDING LEVEL FEW OTHER STATES HAVE ACHIEVED.

THIS CONCLUDES MY PREPARED STATEMENT, I THANK YOU FOR THE OPPORTUNITY TO APPEAR BEFORE YOU TODAY. WE WILL BE PLEASED TO ANSWER ANY QUESTIONS YOU MIGHT HAVE AT THIS TIME.

QUESTIONS FOR THE RECORD

Mr. DIXON. I have some questions that I will submit for you to answer for the record.

[The Committee's questions and the Office of Financial Management's responses follow:]

QUESTIONS FOR THE RECORD
OFFICE OF FINANCIAL MANAGEMENT
OFFICE OF THE D.C. TREASURER

QUESTION:

1. What was your cash balance on May 30, 1993, and how does that Compare with what it was on September 30, 1991, just after you sold the deficit recovery bonds?

   a. What are you projecting the cash balance to be at the end of each of the next four months including the end of the fiscal year?

ANSWER:

1. The cash balance on May 30, 1993 was $25.2 compared to the cash balance on September 30, 1991 was $95.6 million.

   The projected cash balance for the next four months are as follows:

July	$70.8
August	$55.2
September	$69.7
October	$412.7

QUESTION:

2. For the record, please provide your cash balance for the end of each month since July 31, 1992?

ANSWER:

2. The actual ending cash balances since July 31, 1992 were as follows:

	1992	1993
Jan		251.0
Feb		155.1
Mar		229.7
Apr		58.2
May		25.2
Jun		28.9
Jul	6.3	
Aug	2.5	
Sep	159.6	
Oct	482.1	
Nov	394.7	
Dec	349.6	

QUESTION:

3. Please provide for the record a general fund cash flow statement for the FY 1992 CAFR similar to the one for "Enterprise Funds" shown as Exhibit 5 on page 21 of the 1992 CAFR.

ANSWER:

3. A cash flow statement for the general fund similar to the one for enterprise funds cannot be provided. The measurement focus for the general fund is the flow of current financial resources. The measurement focus for the enterprise funds is the flow of economic resources. The program designed to produce cash flow statements for enterprise funds will not produce a cash flow statement for the general fund.

(Clerk's Note. - Subsequent to receipt of the above answer from District officials stating that cash flow statements for the general fund "cannot be provided", the Committee requested the General Accounting Office to prepare statements of cash flows for the District's general fund for fiscal years 1990, 1991, and 1992 on the direct-method basis. District officials then supplied the following cash flows statements for the general fund notwithstanding answer 3 above:

DISTRICT OF COLUMBIA GOVERNMENT
GENERAL FUND
STATEMENT OF CASH FLOWS
YEARS ENDED SEPTEMBER 30, 1988 THROUGH 1992
($000S)

	1988	1989	1990	1991	1992
Operating Activities:					
Cash receipts from taxes, licenses, and fines	$2,108,461	$2,257,701	$2,399,533	$2,423,563	$2,409,998
Cash receipts from customers	187,697	140,309	153,069	137,319	191,751
Cash receipts from Federal payment	459,500	453,800	506,966	625,231	643,772
Cash receipts from Federal grants	534,424	532,974	579,999	614,235	684,030
Other cash receipts	47,164	93,490	98,431	125,323	122,952
Cash payments to employees	(1,854,278)	(1,787,689)	(1,893,397)	(1,928,259)	(1,976,872)
Cash payments to vendors	(987,059)	(876,613)	(882,762)	(1,101,494)	(1,013,791)
Cash payments to welfare recipients	(450,879)	(514,598)	(562,516)	(640,456)	(684,670)
Cash payments on long term debt	(86,630)	(71,743)	(84,922)	(97,792)	(128,917)
Cash payments of interest and charges	(150,920)	(156,854)	(164,142)	(184,631)	(226,191)
Cash payments on interfund loans	1,513	581	(27,824)	24,973	(61,826)
Cash payments on other loans	(22,784)	(13,441)	(3,168)	2,113	(5,239)
Net cash provided (used)	6,209	57,917	119,267	125	(25,003)
Financing Activities:					
Proceeds of refunding debt	100,159	194,903	0	336,605	272,244
Cash payments of refunded debt	(83,703)	(166,524)	0	0	(261,077)
Cash payments of refunding charges	(16,456)	(29,312)	0	0	(2,238)
Operating transfers in	46,139	64,715	54,036	53,218	98,052
Operating transfers out	(122,661)	(127,366)	(149,478)	(167,810)	(155,410)
Net cash provided (used)	(76,522)	(63,584)	(95,442)	222,013	(48,429)
INCREASE (DECREASE) IN CASH	**(70,313)**	**(5,667)**	**23,825**	**222,138**	**(73,432)**
Cash and investments at October 1	**161,865**	**91,552**	**85,885**	**109,710**	**331,848**
Cash and investments at September 30	**$91,552**	**85,885**	**109,710**	**331,848**	**258,416**
Reconciliation of Operating Excess to Net Cash Provided by Operating Activities:					
Operating excess	$62,243	$9,053	(22,744)	111,146	50,415
Decrease (increase) in assets:					
Receivables	(73,338)	(62,140)	(6,054)	(71,848)	(89,308)
Inventories	(3,702)	(1,761)	(1,412)	(1,422)	(1,096)
Other current assets	742	1,250	0	0	(2,803)
Increase (decrease) in liabilities:					
Payables	(20,425)	6,530	81,720	(36,973)	(23,895)
Accrued liabilities	27,839	12,990	25,204	4,463	3,065
Deferred revenue	22,670	33,693	41,576	(5,210)	30,495
Other current liabilities	(9,620)	(1,698)	977	(31)	1,924
Net cash provided (used)	$6,209	57,917	119,267	125	(25,003)

DEPARTMENT OF FINANCE AND REVENUE (SEE PP. 1278–1281)

Mr. DIXON. Last, we have the Department of Finance and Revenue. The Department is requesting $22,255,000, and 513 positions for fiscal year 1994, a reduction of $1,195,000 and 38 positions below the fiscal year 1993 enacted appropriation level.

PREPARED STATEMENT OF DIRECTOR

Ms. Morrow, if you have a statement for the record, we will be pleased to receive that.

[The prepared statement referred to follows:]

Statement of Sharon Morrow, Director
Department of Finance and Revenue
Before the House Appropriations Subcommittee
May 26, 1993

Good day, Mr. Chairman and members of the Committee. My name is Sharon Morrow. I am the Director of the Department of Finance and Revenue. I welcome the opportunity to appear before you today to offer testimony on the Department of Finance and Revenue's revised FY 1993 budget and the FY 1994 budget requests.

I also will discuss the Department's revenue estimates and the major economic assumptions that support the proposed FY 1994 budget and the revised FY 1993 revenues.

The last 12 months have been difficult ones because of the continued stagnation in the economy of the District of Columbia. However, through the leadership of Mayor Kelly and the hard work of Department of Finance and Revenue employees, the Department has continued to meet its revenue goals as we serve the citizens of the District of Columbia.

In FY 1992, the department generated over $2.3 billion in revenue, approximately 90 percent of the District's locally raised funds. The Department processed approximately 1.2 Million tax returns from individuals and businesses and assessed approximately 168,000 parcels of taxable real property. In all, a total of more than 11 million tax-related documents are processed each year by the Department.

The Department is making significant progress with the computer-assisted mass appraisal (CAMA) project. The goal of this project is to improve the accuracy of real property tax assessments, thereby 1.) reducing the number of assessment appeals and 2.) providing for a more accurate and equitable distribution of taxes. One hundred and fifty individuals -- the majority of whom were district residents -- were hired and trained to collect data for residential and commercial properties. They completed the residential collection process on December 15, 1992. An extensive media relations campaign involving D.C. Cable, local newspapers, and more than 30 presentations to advisory neighborhood commissions (ANC's) and community organizations, was organized to elicit citizen support and cooperation. As a result, the data collectors were allowed to enter more than 50 percent of the properties visited when a resident was at home. The CAMA project will be completed by July 1, 1993 and will be fully utilized for the 1995 real property tax year assessments.

The CAMA system is the first phase of the Department's multi-phased project to fully modernize the major automated systems using funding from the capital budget. The Department is now devoting its attention to the design, development and procurement of a computerized, integrated tax system which will encompass income, business, sales and real property tax programs. The first step is the installation of an income tax system, that will be capable of rapid processing and tracking of income tax

returns and refunds, generating status reports of taxpayer accounts, and billing taxpayers. The Department will be issuing a request for proposal soon and expects to have the system operational by the end of FY 1994.

These automation improvements, which will result in increased productivity, will allow the Department to operate efficiently despite shrinking resources. More fully automated systems will allow the Department to process tax returns quicker and identify delinquent taxpayers within a shorter period of time. Hence millions of dollars will be saved to improve our cash flow. The budget requests we are discussing today reflect the District's actions to reduce operating costs. The revised FY 1993 budget request totals $22,107,000 and 541 full-time equivalent positions, a decrease of $1,343,000 and 10 positions from the originally approved FY 1993 budget. The funding reduction results from the mandatory furlough of government employees, the proposed reduction in staff and the postponement of step increases for Departmental employees.

The FY 1994 appropriated budget request is $22,255,000 and 513 full-time equivalent positions. The net decrease of $1,195,000 and 38 positions from the FY 1993 approved budget is largely the result of reductions in both permanent and temporary staff; included in these totals for FY 1994 is an enhancement to our audit program, which adds 10 new tax auditor positions at a cost of $268,000.

The downsizing of 31 positions results in reductions of $794,000 in the FY 1994 budget and $279,000 in the revised FY 1993 budget. The reductions, affecting both management and union positions, are the result of the recommendations made by the District-wide management audit, streamlining of Departmental processes and management structure, and productivity improvements realized through automation. Hence, the funding and position reductions in FY 1993 and FY 1994 are expected to have minimal impact on the Department's ability to generate revenue and serve the public.

Operational efficiencies as noted above will save us money. The Department will save almost $300,000 in FY 1994 by eliminating the need for leased computer terminals and handling the maintenance of the local area network (LAN) of microcomputers in-house.

The Department of Finance and Revenue is the primary tax collector in the District of Columbia Government. Additionally the Department is responsible for preparing the revenue forecast for the budget. That process and projected revenues for fiscal years 1993 and 1994 are described below.

The Revenue Estimating Process

General fund appropriated revenues for the District of Columbia are estimated by the Office of Economic and Tax Policy in the Department of Finance and Revenue. These revenues are estimated for six fiscal years, currently 1993-1998. The original estimates for the FY 1994 budget year (beginning in

October 1993) were made in January 1993, nine months before the beginning of fiscal year 1994. The supplemental FY 1993 estimates were also made in January 1993.

The revenue estimates are based on a number of critical criteria including:

- Historical collection patterns;
- The projected strength of the national economy as determined by major forecasting organizations;
- The strength of various sectors in the local economy as determined by the Department of Finance and Revenue in collaboration with other local experts; and

The department collaborates with neighboring states and various organizations such as the Federation of Tax Administrators and the Multistate Tax Commission to confirm and validate economic assumptions and the effects of economic changes.

The multiyear assumptions for fiscal years 1993-1998 indicate a rather weak recovery in the local economy with small rates of increase in 1993 and 1994 in sales tax collections. Individual income tax collections are not expected to increase in 1993 and are expected to increase only slightly in 1994. Both the sales tax and individual income tax bases are very sensitive to local economic conditions. The sales tax base does not capture much of the current growth in the service economy. The individual income tax, narrowly restricted to the taxation of D.C. residents, relies virtually on the employment level of D.C. residents. Two-thirds of the income earned in the District of Columbia is earned by nonresidents, and not subject to the District's individual income tax. Corporate franchise tax collections are not expected to show any growth until 1994. The real property tax base for tax year 1994 is expected to remain below that for tax year 1993. Due to a stagnant commercial office market, no increase is expected in the overall real property tax base until tax year 1997. Personal income growth through the middle 1990's will be very modest ranging from 1.2 to 4.0 percent.

General fund appropriated revenues were $12.0 million below the estimate for FY 1992 as indicated in Appendix D (page 97) of the Adopted Budget. The supplemental FY 1993 estimate was reduced by $72.02 million from the original FY 1993 estimate before revenue actions. The revenue actions totalled $192.76 million in FY 1993 due primarily to the change in the real property tax year. The net result is a FY 1993 supplemental estimate which is $120.74 million above the original FY 1993 estimate (see Appendix D, pages 98-99).

The original FY 1994 budget estimate before revenue actions was $29.9 million more than the FY 1993 original estimate. Because of the weakness in the local economy these increases are very modest. Full funding of the federal payment as the District requests and local pending authority are expected to provide additional revenues that will result in the FY 1994 estimate of

$3,389.1 million exceeding the original FY 1993 estimate by $76.6 million (see Appendix D, pages 96-101).

FY 1994 Revenue Forecast

The outlook for fiscal years 1993 and 1994 suggests slow to moderate growth rates in the national economy. The WEFA forecasting firm (formerly Wharton Econometrics), for example, expects a real gross domestic product (GDP) increase of 3.3 percent in 1993 and a 3.1 percent increase for 1994. Our revenue estimates for the District reflect the belief that the local economy will recover more slowly than the national economy. The economy of the District, like that of other core cities, generally experiences an economic rebound after recovery reaches suburban areas. Locally, it is not expected that recovery will be reflected in increased tax collections until mid to late 1993. The local recovery will not result in economic conditions like those of the 1980's; rather, the recovery will be slow and economic growth after 1993 will be moderate.

Current authority revenues for the FY 1994 general fund are estimated to be $3,342.3 million. Additional pending authority of $46.8 million should result in a grand total of $3,389.1 million (see Appendix D, pages 100-101).

Total current authority is expected to produce $2,353.4 million in tax revenues for FY 1994. The three largest revenue producers are expected to produce the following fiscal year 1994 revenues:

Real property tax	$725.3 million
Individual income tax	$626.6 million
Sales tax	$448.2 million

Real Property Tax

for FY 1994, real property tax revenue is expected to decline by 4.0 percent over FY 1993 to $725.3 million. This revenue estimate assumes that real property tax rates will remain at current levels except in class V, vacant property, where rates will increase from $3.29 To $5.00 per $100 of assessed value. The estimated increases by class of property are based on 1993 tax year values, which reflect all permit activity, Board of Equalization and Review activity and other required adjustments in the tax base. Board of Equalization and Review actions are estimated for the 1994 tax year base, because they are unavailable currently. Tables reporting the actual property tax base for tax year 1993 and the projected base for tax year 1994 is attached.

Projected tax base growth for Tax Year 1994 (October 1, 1993-September 30, 1994)

Class 1 (owner-occupied residential)	-0.3%
Class 2 (non-owner occupied residential)	0.7%
Class 3 (hotels and motels)	0.1%
Class 4 (commercial, improved)	-5.0%
Class 5 (vacant)	0.8%
Total	-2.4%

The tax year 1994 real property tax proposed assessments have been mailed to taxpayers and are reflected in the preceding table; a more precise estimate of the 1994 taxable real property tax base will be available when the Mayor transmits her recommended tax year 1994 real property tax rates to the District of Columbia Council on June 15, 1993.

Income tax

The individual income tax, excluding pending authority, is projected to yield $626.6 million in FY 1994, an increase of approximately 2.7 percent over the revised FY 1993 estimate. This projection assumes a 1.2 percent growth in the individual income tax base.

Business income tax revenue, on a current authority basis, is projected to be $120.65 million in FY 1994. The base for both corporate and unincorporated franchise taxes is projected to grow by 2.5 percent in FY 1994.

For FY 1994, total income taxes, excluding pending authority, are projected to produce $747.2 million in District revenues, an increase of 3.4 percent or $24.3 million over the revised FY 1993 estimate.

Sales tax

The FY 1994 current authority general sales tax revenue is projected to be $448.2 million. The change in estimated sales tax revenue reflects assumptions about taxable sales (the base of the tax) and the level of consumer prices. Taxable sales are projected to increase by 1.3 percent in FY 1994.

Taxes on selected consumer items -- alcohol, cigarettes, motor vehicles, and hotel occupancy -- are expected to produce $90.1 million in FY 1994, prior to pending authority actions.

The category of "other taxes" includes gross receipts taxes on public utilities and insurance gross premiums, as well as taxes on gross charges for telecommunications services and taxes on estates and the recordation and transfer of deeds. As a group, these taxes are estimated to yield $255.5 million in FY 1994. The dollar value of deed recordations and transfers is estimated to increase by 3.0 percent in FY 1994.

Total non-tax revenues, including legalized gambling and the sale of surplus property, are expected to produce $317.3 million in FY 1994.

FY 1993 Revised Forecast

The economy of the District of Columbia has been in a recession since the summer of 1990. Signs of this slowdown include a reduction in resident employment, declines in taxable sales, and reductions in corporate tax revenues. At the time the original FY 1993 forecast was made, the outlook was for very slow growth in the local economy and in revenue. The continuing sluggishness of the local economy, beyond that forecast in January 1992, required that the FY 1993 revenue estimates be reduced. The total reduction in FY 1993 revenues, before any corrective revenue actions, is $72.0 million, with general fund revenues declining from $3,312.4 million to $3,240.4 million. Most of this change -- $61.0 million -- is in sales and individual income tax revenues. The decline is related to general economic conditions in the District of Columbia, especially to the continuing weakness in employment of District residents. I will briefly discuss each of the major revenue sources and the FY 1993 estimate.

Real Property Taxes

The decrease in real property taxes of $5.2 million from the original estimate gives a revised estimate of $755.3 million for FY 1993. This revision reflects changes in the real property tax base in tax years 1993 and 1994.

General Sales Tax

Estimated general sales tax revenues of $431.8 million in FY 1993, before pending authority, reflect a reduction of $25.8 million in general sales tax projections from the original to the revised estimate. The majority of this decrease is attributable to the exemption provided for sales of utility services to residential customers. The remainder of this reduction (about $12 million) is due to the weak retail sector in the District.

Individual Income Tax

The reduction in the original FY 1993 revenue estimate is $35.2 million in the individual income tax. This reduction is due to the decrease in the District's resident labor force and in resident employment, which has slowed wage and salary growth. The FY 1993 estimate for income taxes is $609.9 million. This is $13.3 million below the FY 1992 revenues, a decline of 1.6 percent.

Other Taxes

Collections from other taxes, before pending authority, are estimated to be $244.2 million in FY 1993, an increase of $56.6 million from the original FY 1993 estimate. The estimate reflects the effects of permanent increases in the gross receipts and telecommunications tax rates from 6.7 To 9.7 percent. The revised estimate of $244.2 million is $3.9 million below actual FY 1992 revenues which were inflated by unexpected collections in the estate tax.

Non-tax Revenues

The FY 1993 revised non-tax revenue estimate of $275.6 million, prior to any revenue actions, is $5.2 million below the final FY 1992 revenues of $280.8 million. This difference reflects changes in each of the categories of non-tax revenues. Revenues of $28.3 million were included in FY 1992 for the transfer of water/sewer monies to the general fund, which are not included in FY 1993 revenues.

Mr. Chairman, I would be happy to take questions from you or your committee members.

ECONOMIC ASSUMPTIONS USED FOR DISTRICT TAX SOURCES
FY 1993-FY 1999

	Tax Years (July-June)								
	1992	1993	1994	1995	1996	1997	1998	1999	2000
Real Property Base (Net) ($billions)									
Class I	12.5	12.7	12.7	12.8	13.1	13.6	14.2	14.8	15.5
Class II	8.4	8.5	8.5	8.5	8.7	8.9	9.3	9.6	10
Class III	1.9	1.6	1.5	1.4	1.4	1.4	1.4	1.5	1.5
Class IV	25.6	22.6	20.2	19.0	18.3	18.2	18.3	18.4	18.5
Class V	0.4	0.3	0.4	0.4	0.4	0.4	0.4	0.4	0.4
Total Property Base	48.8	45.7	43.3	42.1	41.9	42.5	43.6	44.7	45.9
Percent Change in Base	8.1%	-6.4%	-5.3%	-2.8%	-0.5%	1.4%	2.6%	2.5%	2.7%

	Budget Years (October-September)							
	1992	1993	1994	1995	1996	1997	1998	1999
Sales & Use Tax:								
Taxable Sales Growth	-6.3%	1.0%	1.3%	2.0%	2.5%	3.0%	3.0%	3.0%
Consumer Price Change	2.8%	3.2%	3.5%	3.5%	3.8%	4.0%	4.0%	4.0%
Personal Income:								
Income Base Growth	-1.7%	0.0%	1.2%	2.0%	3.0%	4.0%	4.0%	4.0%
Tax Liability Growth	-1.4%	0.7%	1.9%	2.7%	3.7%	4.7%	4.7%	4.0%
Resident employment (000)	261.0	258.0	261.0	261.0	264.0	267.0	270.0	273.0
Federal Pay Increase	4.1%	3.7%	3.0%	3.0%	3.5%	3.5%	3.5%	3.5%
Personal Property Growth	-5.0%	3.0%	3.5%	4.0%	4.0%	4.0%	4.0%	4.0%
Cigarette Tax (millions of packs)	46.5	39.0	38.7	38.4	38.1	37.8	37.5	37.2
Taxable hotel rooms	6.0 M.	6.0 M.	6.1 M.	6.2 M.	6.3 M.	6.3 M.	6.4 M.	6.4 M.
Alcohol Consumption (000)								
Beer (barrels)	532	540	540	550	550	550	550	550
Spirits (gallons)	2,355	2,400	2,350	2,350	2,300	2,300	2,300	2,300
Wines < 14% (gallons)	1,859	1,900	1,900	1,950	2,000	2,000	2,000	2,000
Wines > 14% (gallons)	313	320	320	320	330	330	330	330
Sparkling Wines	294	300	300	300	300	300	300	300
Insurance Base Growth	-5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Corporate Profits Growth	-11.8%	-5.0%	2.5%	5.0%	5.0%	5.0%	5.0%	5.0%
Unincorp. Profits Growth	5.7%	-5.0%	2.5%	5.0%	5.0%	5.0%	5.0%	5.0%
Public Util. Base Growth	3.4%	3.0%	3.3%	2.9%	2.7%	2.6%	2.7%	2.7%
Toll Telecomm. Base Growth	12.4%	5.0%	5.0%	5.0%	5.0%	4.5%	4.5%	4.5%
Motor Vehicles:								
Gallons (millions)	168.2	168.5	168.5	168.0	168.0	167.5	167.5	167.0
Estate Tax Base	3.0%	-46.0%	3.5%	3.5%	3.8%	4.0%	4.0%	4.0%
Deed Tax Base: Record.	-11.6%	3.0%	3.0%	3.0%	3.5%	3.5%	4.0%	4.0%
Transfer	4.7%	0.0%	3.0%	3.0%	3.5%	3.5%	4.0%	4.0%

Source: D.C. Department of Finance and Revenue
Economic and Tax Policy
January 1993

REAL PROPERTY TAX BASE
TAX YEARS 1991, 1992, 1993, AND PROJECTED 1994
(in $ Billions)

	Actual TY 1991	Actual TY 1992	Actual TY 1993	Projected* TY 1994
Class 1 (Owner-Occupied) Residential)	$12.8	$13.2	$13.3	$13.3
Class 2 (Non-Owner Occupied Residential)	6.9	7.1	7.8	7.8
Class 3 (Hotels and Motels)	1.8	1.8	1.6	1.6
Class 4 (Commercial, Improved)	23.1	23.7	22.7	21.6
Class 5 (Vacant)	0.5	0.5	0.3	0.3
TOTAL	**$45.1**	**$46.3**	**$45.7**	**$44.6**

* Currently projected value of real property tax assessments for Tax Year 1994 including expected adjustments after Board of Equalization and Review actions which are not currently available.

Department of Finance and Revenue
May 20, 1993

REAL PROPERTY TAX BASE
ACTUAL TY 1993 AND PROJECTED TY 1994

	Tax Year 1993	Tax Year 1994	
	Actual	Estimated*	Projected**
Class 1 (Owner-Occupied Residential)	$13.3 B	$12.7 B	$13.3 B
Class 2 (Non-Owner Occupied Residential)	7.8 B	8.5 B	7.8 B
Class 3 (Hotels and Motels)	1.6 B	1.5 B	1.6 B
Class 4 (Commercial, Improved)	22.7 B	20.2 B	21.6 B
Class 5 (Vacant)	0.3 B	0.4 B	0.3 B
TOTAL	**$45.7 B**	**$43.3 B**	**$44.6 B**

* Original estimates of real property tax assessments for Tax Year 1994.

** Currently projected value of real property tax assessments for Tax Year 1994 including expected adjustments after Board of Equalization and Review actions which are not currently available.

Department of Finance and Revenue
May 20, 1993

QUESTIONS FOR THE RECORD

Mr. DIXON. I have some questions that I will submit for you to answer for the record.

[The Committee's questions and the Department of Finance and Revenue's responses follow:]

QUESTIONS FOR THE RECORD
Department of Finance and Revenue

QUESTION:
1. Your FY 1994 budget is being reduced by -$1,195,000 and -38 positions and your FY 1993 budget is being reduced by -$1,343,000 and -10 positions.

a. What impact are those reductions going to have on your ability to maximize revenue collections?

ANSWER:
1a. In the future, the Department of Finance and Revenue (Department) expects to increase collections over the current levels despite these reductions. To overcome the impact of the reductions, the Department is developing a program to increase the efficiency of current staff by 1) improved audit selection, 2) improved collection selection, and 3) improved entry of taxpayer information into the computer system.

The Department also is expanding the use of computer-based technologies. This will allow a smaller staff to increase revenue production (Question 3 and Question 5).

QUESTION:
2. We are nine months into fiscal year 1993. With four months left in the fiscal year, how are your revenues running compared to your projections for fiscal year 1993?

ANSWER:
2. According to the June 1993 revenue report, nine months into FY 1993, general fund cash collections are $34.5 million above the cash estimate for the year-to-date. One reason for the favorable variance is an unexpected $15.8 million estate tax payment received in June. We anticipate that FY 1993 revenues will finish $15 million above the current revised estimate.

QUESTION:
3. Last year in your prepared statement you said that your "Computer Assisted Mass Appraisal" system (CAMA) would be "used to develop the assessments for the 1994 real property tax year, which will be mailed on March 1, 1993." (p. 1280, part 1, FY 1993 D.C. hearings.)

a. Was that done?

ANSWER:
3a. Yes, the CAMA system was partially used by the assessors to develop the 1994 real property assessments. Assessors used the system to analyze sales trends, by neighborhood and type of

property, and to revise assessments based on that market information.

For tax year 1995, the Department of Finance and Revenue plans to use additional "parcel specific" information collected as part of the CAMA project to further improve the accuracy of the assessments and thus the equity of the tax burden.

b. How is this CAMA system beneficial to the District -- are more revenues being collected?

ANSWER:
3b. The principal goal of the system is to improve the accuracy of the real property assessments and the equity of the tax burden. The City Council is responsible for setting the tax rates to raise the required amount of revenue each year.

Through improvement of the accuracy of assessments, along with adequate maintenance of the database, it is expected that the efficiencies produced by the CAMA system will result in fewer taxpayer appeals. As a result of fewer appeals, there will be 1) a reduction in court cases, 2) less need to hire expert witnesses, 3) a decrease in interest paid to property owners who successfully appeal, and 4) a reduction in the number of cases where the assessment is not sustained. Also, in cases where the appeal is successful, payments should be smaller because the difference between the assessment value and the appeal value normally will be less. Assessors will be able to spend more time on analysis, valuation, data verification, and collection and less time on manual calculations as a result of implementing CAMA.

QUESTION:
4. In your prepared statement last year you talked about the FY 1993 Revenue Forecast and said that it is not expected that recovery of the local economy will begin until the end of calendar year 1992 (p. 1282, part 1, FY 1993 D.C. hearings).

a. From your perspective, did the local economy turn around at the end of calendar year 1992?

ANSWER:
4a. The local economy has not turned around substantially. The unemployment rate in the District for May 1993 remained high at 8.3 percent as compared to 4.4 percent for the entire Washington Metropolitan Area and 6.9 percent in the U.S. as a whole. The District's resident employment for May was almost 6,000 below the same month last year. This weak economic performance is one major reason that we do not expect to maintain the current $34.5 million positive variance over the FY 1993 estimate (Question 2) through the end of the fiscal year. It now appears that the local economy will grow very modestly over the next several

quarters. This recovery is not nearly as strong as previous recoveries have been, either locally or nationally.

QUESTION:
5. During the hearings last year you said you wanted to do "what the IRS is talking about, audit tax returns using computers." You said you expect to increase your revenues by anywhere from $25 million to $30 million a year, and you were looking forward to starting with the 1993 income tax returns (p. 1286, part 1, FY 1993 D.C. hearings).

a. Are you on schedule to use computers to audit the 1993 income tax returns?

ANSWER:
5a. The Department is on schedule to use computers in audit and compliance activities in FY 1993. However, these activities phase-in to income taxes in FY 1995. The IRS collects and audits only income tax returns; the Department also is concerned with many other taxes including the property tax. As explained in Question 3, CAMA is the computer-based system in the Department related to property taxation. CAMA is in the first stages of use in FY 1993 and will be in full implementation for property tax assessment and collection activities in FY 1994. The integrated tax system for income tax and other taxes will be on-line in FY 1995.

This past year the Department also increased the number of computers for use in audit activities. Thirty new computer systems were added for use by staff in the audit, compliance, and investigation division.

b. How are you able to determine that you will collect $25 million to $30 million more by using computers to audit tax returns?

ANSWER:
5b. The $25 million to $30 million estimate is in reference to the implementation of the integrated tax system which the Department expects to have on-line by FY 1995. This system will aid in the audit of taxpayers by allowing the Department to sustain better databases and to match information received from other agencies to synthesize taxpayer information. Subsequent to the implementation of that system, we will see a great increase in the Department's ability to detect non-filers and filers who under-report individual and business earnings.

Mr. DIXON. I don't believe there are any questions by any member of the committee as it relates to the budgets of the individual agencies, we do have some questions for the record.

REPAYMENT OF LOANS AND INTEREST (SEE PP. 1293–1296)

Next we have the request for Repayment of Loans and Interest. You are requesting $351,285,000 under the general fund for fiscal year 1994, which is an increase of $59,986,000 above the enacted appropriation for fiscal year 1993. In addition, you are requesting $40,438,000 under the Water and Sewer Utility Administration for fiscal year 1994, an increase of $836,000. The requests for these two funds total $391,723,000 for fiscal year 1994, and increase of $60,822,000 above the fiscal year 1993 enacted appropriations.

For FY 1993 you are requesting an increase of $57,388,000 which reflects the consolidation of the "Repayment of Loans and Interest" appropriation with the "Repayment of General Fund Debt" appropriation. And we have the Treasurer with us. I don't know if you have anything to add to that at all.

Ms. DAY-MARSHALL. No, I think you said it quite succinctly.

PREPARED STATEMENT OF TREASURER

Mr. DIXON. Okay. If you have a statement, we will be pleased to receive it for the record.

Ms. DAY-MARSHALL. Certainly.

[The prepared statement referred to follows:]

TESTIMONY OF
MARIA DAY-MARSHALL
DISTRICT OF COLUMBIA TREASURER
ON
THE FISCAL YEAR 1994 BUDGET REQUEST
AND THE REVISED FISCAL YEAR 1993 BUDGET REQUEST
FOR THE REPAYMENT OF LOANS AND INTEREST
BEFORE THE
U.S. HOUSE OF REPRESENTATIVES APPROPRIATIONS COMMITTEE
SUBCOMMITTEE FOR THE DISTRICT OF COLUMBIA
26 MAY 1993

GOOD MORNING MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE. I AM PLEASED TO APPEAR BEFORE YOU TODAY TO PRESENT TESTIMONY ON THE PROPOSED FY 1994 AND THE REVISED FY 1993 BUDGETS FOR THE REPAYMENT OF LOANS AND INTEREST.

THE FY 1993 APPROVED BUDGET FUNDED DEBT SERVICE IN TWO SEPARATE ACCOUNTS. THESE TWO ACCOUNTS WERE THE REPAYMENT OF LOANS AND INTEREST, AND THE REPAYMENT OF GENERAL FUND RECOVERY DEBT. THE REVISED FY 1993 AND THE FY 1994 BUDGET REQUESTS CONSOLIDATE ALL DEBT SERVICE EXPENDITURES INTO ONE ACCOUNT, REPAYMENT OF LOANS AND INTEREST.

IN SEPTEMBER 1991, THE DISTRICT ISSUED $336,605,000 IN GENERAL FUND RECOVERY BONDS (SERIES 1991B AND 1991C) TO ELIMINATE AN ACCUMULATED GENERAL FUND DEFICIT REMAINING AT THE END OF FY 1990. IN BOTH FY 1992 AND FY 1993, THE DEBT SERVICE FOR THE REPAYMENT OF GENERAL FUND RECOVERY DEBT WAS BUDGETED SEPARATELY. HOWEVER, IN FY 1992 THE ACTUAL EXPENDITURE OF $43,923,000 WAS CONSOLIDATED WITH THE EXPENDITURE FOR THE REPAYMENT OF LOANS AND INTEREST TO FACILITATE THE MONITORING OF THE DISTRICT'S TOTAL DEBT SERVICE. COMMENCING WITH THE REVISED FY 1993 BUDGET, THE DEBT SERVICE FOR THE REPAYMENT OF LOANS AND INTEREST WILL INCLUDE PAYMENTS ON THE SERIES 1991B AND C ISSUE.

FOR FY 1993, THE REVISED REQUEST IS $348,687,000, WHICH IS $57,388,000 HIGHER THAN THE APPROVED FY 1993 DEBT SERVICE BUDGET OF $291,299,000 FOR THE FOLLOWING REASONS:

- A DECREASE OF $34,532,000 IN U.S. TREASURY DEBT SERVICE DUE TO THE REDEMPTION AND REFINANCING OF $261.1 MILLION IN OUTSTANDING U.S. TREASURY LOANS FOR THE GENERAL FUND AND REFINANCING OF OUTSTANDING GENERAL OBLIGATION BONDS;

- AN INCREASE OF $54,126,000 TO COVER THE FY 1993 DEBT SERVICE AND FISCAL CHARGES ASSOCIATED WITH THE SERIES 1992A AND 1992B GENERAL OBLIGATION BONDS ISSUED IN MARCH AND JUNE OF 1992, RESPECTIVELY.

- AN INCREASE OF $38,337,000 CAUSED BY THE CONSOLIDATION OF ACCOUNTS AND TO COVER THE DEBT SERVICE ON THE GENERAL FUND RECOVERY BONDS ISSUED IN SEPTEMBER OF 1991; AND

- A DECREASE OF $36,000 IN THE APPROVED FY 1993 DEBT SERVICE PAYMENT FOR PRIVATE HOSPITAL CONSTRUCTION.

THE FY 1994 APPROPRIATED BUDGET REQUEST IS $351,285,000, AN INCREASE OF $2,598,000 OVER THE REVISED FY 1993 BUDGET OF $348,687,000, AND AN INCREASE OF $59,986,000 OVER THE FY 1993 APPROVED BUDGET OF $291,299,0000.

THE FY 1994 REQUEST IS $2,598,000 HIGHER THAN THE REVISED FY 1993 BUDGET REQUEST FOR THE FOLLOWING REASONS:

- A DECREASE OF $19,337,000 IN TOTAL OUTSTANDING DEBT BECAUSE OF REFINANCING SAVINGS;

- A DECREASE OF $306,000 IN HOSPITAL DEBT; AND

- AN INCREASE OF $22,241,000 TO COVER ESTIMATED COST OF FUTURE DEBT.

THE FY 1994 DEBT SERVICE BUDGET OF $351,285,000 ENABLES THE DISTRICT TO PAY IN FY 1994 THE OUTSTANDING DEBT OF $322,560,000, UP TO THE 1992B ISSUE, AND ALSO AFFORDS A FUTURE DEBT OF $27,734,000 ON THE PLANNED 1993A AND 1994A ISSUES. EACH OF THESE FUTURE ISSUES WILL PROVIDE TO THE GENERAL FUND CAPITAL IMPROVEMENT PROGRAM $230.8 MILLION AND $232.2 MILLION IN FY 1993 AND FY 1994, RESPECTIVELY.

THE ESTIMATED DEBT SERVICE ON BOTH FUTURE ISSUES IS $27,734,000 IN FY 1994, ASSUMING THAT THE 1993A AND 1994A ISSUES WILL SELL AT AN AVERAGE 7.0 PERCENT AND 7.15 PERCENT EFFECTIVE RATE, RESPECTIVELY, AND THAT THE FIRST PRINCIPAL PAYMENT ON EACH ISSUE WILL OCCUR IN THE FISCAL YEAR FOLLOWING THE YEAR OF SALE.

THIS CONCLUDES MY TESTIMONY ON THE BUDGET REQUEST FOR THE REPAYMENT OF LOANS AND INTEREST. MY COLLEAGUES AND I ARE AVAILABLE TO ANSWER ANY QUESTIONS YOU MIGHT HAVE AT THIS TIME.

QUESTIONS FOR THE RECORD

DC TREASURY

QUESTION:

1. Is the District using any of its capital borrowings to cover operating costs?

   a. How do you know that the proceeds from your capital borrowings are not being used for purposes other than capital projects?

ANSWER:

1. No.

   a. The District has two general funds: an operating budget fund (100), and a capital budget fund (300). Only capital expenditures are charged to the capital fund.

   The guidelines for charging to the capital fund are defined in Mayor's Memorandum 89-43. A capital expenditure is an outlay to acquire or construct a fixed asset or betterment. No direct cost are charged to capital projects by any agency before its management control system has been approved by the Office of the Budget.

QUESTION:

2. For the Record, please update the table on page 1190 of last year's hearings showing the general obligation bonds issued by the District since it entered the bond market in December 1984.

ANSWER:

2. The following information updates the table on page 1190 of last year's hearing showing the general obligation bonds issued by the District, since it entered the bond market in december 1984.

Bond Issue	Date	True Int. Cost	Par Amount of Bonds	Net Proceeds	Under Writing Spread	Original Issue Discount	Issuance Cost to Date	Final Payment Date
1993A	05-May-93	5.99%	365,110	0	2,534	3,884	320	01-Jun-13
1993B	20-May-93	5.68%	485,280	0	3,345	4,608	401	01-Jun-13
1993C/D	16-Jun-93	5.30%	346,080	0	2,174	2,852	268	01-Jun-13
1993E	22-Jun-93	5.82%	231,600	226,576	1,307	2,251	0	01-Jun-13

QUESTION:

3. Please provide for the record a listing showing which Treasury borrowings you have refinanced to date.

ANSWER:

3. Attachment A displays the information requested.

QUESTION:

4. Please update the tables on pages 1195 and 1196 of last year's hearings showing the estimated repayment schedule for loans to finance capital projects.

ANSWER:

4. See Attachment B, repayment schedules of loans the purpose of which are to finance capital projects.

QUESTION:

5. Provide for the record a list of the direct and indirect fees and charges paid and the firms to whom these fees and charges were paid similar to information on pages 1197 of last year's hearings.

ANSWER:

5. Attachment C, is a list of fees and charges paid in fiscal years 1992 and 1993 and the payee by bond issuance series. The amounts include reimbursements for expenses incurred by the firm on the District's behalf.

Attachment A

U S TREASURY NOTES REFINANCED BY THE DISTRICT OF COLUMBIA

NOTE NUMBER	DATE OF NOTE	RATE OF INTREST	AMOUNT OF NOTE	OUTSTANDING BAL REPAID
SERIES 1985A				
1-64	MAY 27, 1981	12.375%	50,000,000 00	49,538,482 00
1-65	JUNE 29, 1981	12 375%	19,630,300 00	19,449,105 00
1-66	JULY 15, 1891	13 875%	4,377,600 00	4,346,885 00
			SUB-TOTAL	73,334,472 00
SERIES 1985C				
1-62	FEBRUARY 4, 1981	12.375%	30,000,000 00	29,723,089 00
1-63	MARCH 16, 1981	12 375%	30,000,000 00	29,723,089 00
1-67	JUNE 24, 1982	14 250%	72,500,000 00	72,278,416 00
1-68	JUNE 24, 1982	14 250%	72,500,000 00	72,278,416 00
			SUB-TOTAL	204,003,010 00
SERIES 1986A				
1-59	JANUARY 31, 1980	10 500%	30,000,000 00	29,138,406 00
1-60	MARCH 31, 1980	10 500%	10,000,000 00	9,712,802 00
1-61	MAY 15, 1980	10 500%	30,000,000 00	29,138,406 00
1-69	JUNE 29, 1983	10 750%	50,000,000 00	49,706,577 00
1-70	JUNE 19, 1983	10 750%	50,000,000 00	49,706,577 00
1-71	JUNE 16, 1983	10 750%	45,000,000 00	44,735,919 00
1-72	JUNE 21, 1984	12 250%	57,500,000 00	57,500,000 00
1-73	JUNE 21, 1984	12 250%	57,500,000 00	57,500,000 00
			SUB-TOTAL	327,138,687 00
SERIES 1986B				
1-31	AUGUST 29, 1975	8 375%	13,500,000 00	12,189,589 00
1-32	OCTOBER 31, 1975	8 375%	49,590,000 00	44,776,422 00
1-50	JULY 31, 1978	8 875%	10,000,000 00	9,382,211 00
1-51	SEPTEMBER 29, 1978	8 875%	15,000,000 00	13,973,876 00
1-52	DECEMBER 29, 1978	8 875%	25,000,000 00	23,770,579 00
1-53	FEBRUARY 12, 1979	9 250%	25,000,000 00	23,841,743 00
1-54	FEBRUARY 27, 1979	9 250%	10,000,000 00	9,536,697 00
1-55	JUNE 8, 1979	9 250%	15,000,000 00	14,305,046 00
1-56	JULY 13, 1979	9 125%	10,000,000 00	9,527,376 00
1-57	AUGUST 14, 1979	9 125%	15,000,000 00	14,291,064 00
1-58	DECEMEBR 10, 1979	9 125%	20,000,000 00	19,278,170 00
7-51	AUGUST 29, 1975	8 875%	1,400,000 00	1,264,105 00
8-76	AUGUST 29, 1975	8 375%	800,000 00	722,346 00
8-77	OCTOBER 31, 1975	8.375%	4,750,000 00	4,288,929 00
			SUB-TOTAL	201,148,153 00

NOTE NUMBER	DATE OF NOTE	RATE OF INTREST	AMOUNT OF NOTE	OUTSTANDING BAL REPAID
SERIES 1986B				
1-27	FEBRAURY 28, 1975	8.000%	18,700,000 00	16,094,351 00
1-28	MARCH 31, 1975	8.000%	6,000,000 00	5,163,963 00
1-29	MAY 30, 1975	8.000%	44,000,000 00	37,778,532 00
1-30	JUNE 30, 1975	8 000%	13,700,000.00	11,689,336 00
1-33	FEBRUARY 27, 1976	8 250%	12,010,000 00	10,615,126 00
1-34	MAY 31, 1976	8 250%	25,000,000.00	22,096,432 00
1-35	JULY 30, 1976	8 250%	50,000,000 00	44,192,863 00
1-36	AUGUST 16, 1976	8 250%	30,000,000.00	26,515,718 00
1-37	NOVEMBER 30, 1976	8.250%	20,000,000 00	18,024,228 00
1-45	JANUARY 20, 1978	8.250%	10,000,000.00	9,172,429 00
1-46	FEBRUARY 28, 1978	8 250%	10,000,000 00	9,172,429 00
1-47	MARCH 31, 1978	8 250%	10,000,000 00	9,172,429 00
1-48	MAY 22, 1978	8 250%	15,000,000 00	13,758,643 00
1-49	JUNE 23, 1978	8 250%	10,000,000 00	9,172,429 00
4-84	DECEMBER 31, 1974	8 125%	500,000 00	470,463 00
5-39	FEBRUARY 28, 1975	8 000%	3,800,000 00	3,270,510 00
5-40	JUNE 30, 1975	8.000%	1,000,000.00	853,236 00
5-41	OCTOBER 31, 1975	8.375%	700,000 00	620,060 00
5-72	FEBRUARY 28, 1975	8.000%	1,000,000 00	860,660 00
5-73	MARCH 31, 1975	8.000%	800,000.00	688,528 00
5-74	MAY 30, 1975	8.000%	600,000 00	515,162 00
5-75	JUNE 30, 1975	8 000%	1,000,000 00	853,236 00
7-49	FEBRUARY 28, 1975	8 000%	4,770,000 00	4,045,104 00
7-50	JUNE 30, 1975	8 000%	3,656,000 00	3,119,432 00
7-52	FEBRUARY 27, 1976	8 250%	2,250,000.00	1,988,679 00
			SUB-TOTAL	259,903,975 00

NOTE NUMBER	DATE OF NOTE	RATE O INTRES	AMOUNT OF NOTE	OUTSTANDING BAL. REPAID
SERIES 1991B&C				
1-038	JANUARY 31, 1977	7.250%	25,000,000.00	19,369,043.03
1-039	APRIL 29, 1977	7.250%	10,000,000.00	7,755,617.26
1-040	MAY 31, 1977	7.250%	10,000,000.00	7,755,617.26
1-041	JULY 29, 1977	7.750%	10,000,000.00	7,874,784.11
1-042	AUGUST 31, 1977	7.750%	6,400,000.00	5,023,780.23
1-043	AUGUST 31, 1977	7.750%	3,600,000.00	3,260,465.80
1-044	DECEMBER 15, 1977	7.750%	10,000,000.00	8,120,892.10
8-058	APRIL 30, 1970	7.250%	3,000,000.00	1,614,157.94
8-059	JUNE 30, 1970	7.250%	500,000.00	268,353.24
8-060	DECEMBER 31, 1970	7.500%	850,000.00	496,836.13
8-066	FEBRUARY 28, 1974	7.000%	1,750,000.00	1,191,258.96
8-069	APRIL 30, 1974	7.000%	1,100,000.00	748,791.25
8-070	JUNE 28, 1974	7.000%	1,000,000.00	673,874.96
8-071	DECEMBER 31, 1974	7.880%	1,500,000.00	1,103,434.80
7-039	APRIL 30, 1970	7.250%	3,900,000.00	2,096,405.37
7-040	DECEMBER 31, 1970	7.500%	1,200,000.00	704,239.12
7-046	FEBRUARY 28, 1974	7.000%	6,500,000.00	4,424,675.91
7-047	APRIL 30, 1974	7.000%	4,000,000.00	2,722,877.46
7-048	DECEMBER 31, 1974	7.880%	6,600,000.00	4,855,113.41
1-010	FEBRUARY 27, 1970	7.250%	15,000,000.00	8,070,790.49
1-011	MARCH 31, 1970	7.250%	30,000,000.00	16,141,580.66
1-012	APRIL 30, 1970	7.250%	5,000,000.00	2,690,263.36
1-013	JUNE 30, 1970	7.250%	25,600,000.00	13,837,285.29
1-014	DECEMBER 31, 1970	7.500%	18,450,000.00	10,827,678.72
1-022	SEPTEMBER 28, 1973	7.000%	43,636,000.00	29,703,871.13
1-023	FEBRUARY 28, 1974	7.000%	48,850,000.00	33,253,142.00
1-024	APRIL 30, 1974	7.000%	18,000,000.00	12,252,949.03
1-025	JUNE 28, 1974	7.000%	12,700,000.00	8,558,214.44
1-026	DECEMBER 31, 1974	7.880%	80,100,000.00	58,923,422.89
4-079	APRIL 30, 1970	7.000%	200,000.00	77,916.58
4-082	FEBRUARY 28, 1974	7.250%	475,000.00	406,560.07
4-083	APRIL 30, 1974	7.250%	2,000,000.00	85,237.05
4-085	FEBRUARY 28, 1975	7.880%	500,000.00	441,911.89
4-086	JUNE 30, 1975	7.880%	300,000.00	264,142.47
5-028	APRIL 30, 1970	7.250%	500,000.00	269,026.50
5-029	DECEMBER 31, 1970	7.500%	500,000.00	293,433.14
5-035	FEBRUARY 28, 1974	7.000%	9,500,000.00	6,466,634.23
5-036	APRIL 30, 1974	7.000%	200,000.00	1,361,436.88
5-037	JUNE 28, 1974	7.000%	1,500,000.00	1,010,812.84
5-038	DECEMBER 31, 1974	7.880%	3,850,000.00	2,685,024.97
			SUB-TOTAL	287,503,733.01

NOTE NUMBER	DATE OF NOTE	RATE O INTRES	AMOUNT OF NOTE	OUTSTANDING BAL. REPAID
Series 1993C/D				
1-015	MARCH 31,1971	6.250%	28,375,000.00	13,401,122.98
1-016	DECEMBER 30, 1971	6.250%	72,488,000.00	39,815,536.89
1-019	JANUARY 31, 1973	6.375%	55,700,000.00	32,998,115.77
1-020	MAY 31, 1973	6.375%	40,000,000.00	23,514,305.89
1-021	JUNE 29, 1973	6.375%	20,000,000.00	11,701,454.36
6-030	JUNE 30, 1971	6.250%	3,000,000.00	1,508,092.73
6-033	JANUARY 31, 1973	6.380%	2,000,000.00	1,183,774.35
6-034	JUNE 29, 1973	6.380%	2,500,000.00	1,316,413.49
7-038	DECEMBER 31, 1986	6.250%	5,100,000.00	2,388,128.37
7-043	JANUARY 31, 1973	6.380%	7,500,000.00	4,587,125.70
7-044	MAY 31, 1973	6.380%	1,500,000.00	881,798.34
7-045	JUNE 29, 1973	6.380%	1,500,000.00	877,808.98
8-061	MARCH 31, 1971	6.250%	500,000.00	254,049.86
8-062	JUNE 30, 1971	6.250%	350,000.00	175,710.86
8-065	JANUARY 31, 1973	6.380%	150,000.00	88,783.15
8-066	MAY 31, 1973	6.380%	1,850,000.00	1,087,536.58
8-067	JUNE 29, 1973	6.380%	400,000.00	234,026.95
			SUB-TOTAL	135,981,575.27

*The first digit of the note number represents the District fund for which the note proceeds were obtained. These funds were not used after 1976. The funds were coded as follows: 1, General Fund (shown here for all notes subsequent to 1976); 4, the Metropolitan Area Sanitary Sewage Works fund; 5, the Sanitary Sewage Works Fund; 7, the Highway Fund; and 8, the Water Fund.

Attachment B

GENERAL OBLIGATION BONDS

GENERAL FUND

Fund	Fis. Year	Beginninng Outstanding Balance	Principal	Accrued Interest	Total Annual Debt Service
100	1993	3,299,248,154.56	150,408,057.81	65,430,000.49	215,838,058.30
100	1994	3,148,840,096.75	138,753,939.53	184,203,472.74	322,957,412.27
100	1995	3,010,086,157.22	165,693,796.59	174,646,819.80	340,340,616.39
100	1996	2,844,392,360.63	176,277,529.32	164,016,530.07	340,294,059.39
100	1997	2,668,114,831.31	187,416,980.92	152,369,075.63	339,786,056.55
100	1998	2,480,697,850.39	200,059,816.76	140,854,121.72	340,913,938.48
100	1999	2,280,638,033.63	206,715,953.76	135,563,845.62	342,279,799.38
100	2000	2,073,922,079.87	217,089,790.93	126,327,626.00	343,417,416.93
100	2001	1,856,832,288.94	228,423,325.08	114,337,780.90	342,761,105.98
100	2002	1,628,408,963.86	236,921,654.62	98,459,277.46	335,380,932.08
100	2003	1,391,487,309.24	247,044,134.05	85,418,916.27	332,463,050.32
100	2004	1,144,443,175.19	216,085,641.43	72,364,778.24	288,450,419.67
100	2005	928,357,533.76	226,990,877.94	49,620,856.33	276,611,734.27
100	2006	701,366,655.82	191,732,901.19	37,071,444.91	228,804,346.10
100	2007	509,633,754.63	124,564,859.56	27,812,471.44	152,377,331.00
100	2008	385,068,895.07	100,177,441.22	20,958,005.03	121,135,446.25
100	2009	284,891,453.85	90,491,032.07	15,475,252.91	105,966,284.98
100	2010	194,400,421.78	80,531,230.96	10,283,891.74	90,815,122.70
100	2011	113,869,190.82	53,913,750.69	5,918,694.10	59,832,444.79
100	2012	59,955,440.13	41,504,764.71	2,800,110.34	44,304,875.05
100	2013	18,450,675.42	18,450,675.42	738,027.01	19,188,702.43
			3,299,248,154.56	1,684,670,998.75	4,983,919,153.31

WATER AND SEWER FUND

Fund	Fis. Year	Beginninng Outstanding Balance	Principal	Accrued Interest	Total Annual Debt Service
403	1993	335,408,567.54	27,921,942.19	6,710,824.33	34,632,766.52
403	1994	307,486,625.35	13,341,060.47	18,684,896.13	32,025,956.60
403	1995	294,145,564.88	16,336,203.41	17,679,408.13	34,015,611.54
403	1996	277,809,361.47	17,377,470.68	16,550,995.49	33,928,466.17
403	1997	260,431,890.79	19,493,019.08	15,291,999.28	34,785,018.36
403	1998	240,938,871.71	20,060,183.24	14,086,045.94	34,146,229.18
403	1999	220,878,688.00	20,168,326.24	12,686,162.08	32,854,488.32
403	2000	200,710,362.23	20,122,169.07	11,320,064.00	31,442,233.07
403	2001	180,588,193.16	21,602,202.92	10,079,986.68	31,682,189.60
403	2002	158,985,990.24	23,078,461.38	8,792,775.22	31,871,236.60
403	2003	135,907,528.86	23,004,700.05	7,483,871.11	30,488,571.16
403	2004	112,902,828.81	24,005,362.57	6,124,306.56	30,129,669.13
403	2005	88,897,466.24	26,509,122.06	4,656,010.79	31,165,132.85
403	2006	62,388,344.18	23,057,098.81	3,169,582.59	26,226,681.40
403	2007	39,331,245.37	11,210,140.44	2,144,639.39	13,354,779.83
403	2008	28,121,104.93	8,172,558.78	1,536,289.99	9,708,848.77
403	2009	19,948,546.15	7,248,967.93	1,088,695.86	8,337,663.79
403	2010	12,699,578.22	6,393,769.04	665,477.86	7,059,246.90
403	2011	6,305,809.18	4,136,249.31	312,193.41	4,448,442.72
403	2012	2,169,559.87	1,450,235.29	101,416.33	1,551,651.62
403	2013	719,324.58	719,324.58	28,772.99	748,097.57
			335,408,567.54	159,194,414.16	494,602,981.70

U.S. TREASURY NOTES

Water/Sewer Fund

Fiscal Year	Beginning Outstanding Balance	Principal	Accrued Interest	Total Annual Debt Service
1994	16,807,473.26	1,875,519.15	769,400.39	2,644,919.54
1995	14,931,954.11	1,776,362.26	683,521.28	2,459,883.54
1996	13,155,591.85	1,586,011.44	604,661.35	2,190,672.79
1997	11,569,580.41	1,426,990.74	531,567.93	1,958,558.67
1998	10,142,589.67	1,326,115.53	462,223.65	1,788,339.18
1999	8,816,474.14	1,382,616.15	389,760.14	1,772,376.29
2000	7,433,857.99	1,323,977.98	320,599.23	1,644,577.21
2001	6,109,880.01	1,288,966.82	253,781.86	1,542,748.68
2002	4,820,913.19	1,355,784.19	183,386.75	1,539,170.94
2003	3,465,129.00	1,426,179.30	109,219.17	1,535,398.47
2004	2,038,949.70	606,914.48	82,994.23	689,908.71
2005	1,432,035.22	277,794.00	69,363.34	347,157.34
2006	1,154,241.22	169,292.00	59,943.53	229,235.53
2007	984,949.22	165,781.83	50,520.43	216,302.26
2008	819,167.39	148,907.35	41,712.36	190,619.71
2009	670,260.04	150,714.55	32,703.77	183,418.32
2010	519,545.49	134,694.55	24,534.25	159,228.80
2011	384,850.94	87,485.58	18,957.04	106,442.62
2012	297,365.36	93,062.79	13,024.29	106,087.08
2013	204,302.57	98,995.54	6,712.80	105,708.34
2014	105,307.03	105,307.03	0.00	105,307.03
TOTAL:		16,807,473.26	4,708,587.79	21,516,061.05

General Fund

Fiscal Year	Beginning Outstanding Balance	Principal	Accrued Interest	Total Annual Debt Service
1994	82,025,147.64	10,169,718.92	4,029,952.35	14,199,671.27
1995	71,855,428.72	10,275,530.83	3,476,632.70	13,752,163.53
1996	61,579,897.89	10,828,850.48	2,893,079.02	13,721,929.50
1997	50,751,047.41	11,045,098.94	2,292,771.51	13,337,870.45
1998	39,705,948.47	10,178,135.63	1,720,400.80	11,898,536.43
1999	29,527,812.84	9,405,926.21	1,179,546.17	10,585,472.38
2000	20,121,886.63	8,005,908.86	711,813.69	8,717,722.55
2001	12,115,977.77	3,810,413.61	487,951.89	4,298,365.50
2002	8,305,564.16	4,034,275.41	250,938.55	4,285,213.96
2003	4,271,288.75	4,271,288.75	0.00	4,271,288.75
TOTAL:		82,025,147.64	17,043,086.68	99,068,234.32

Attachment C

DATE	PAYEE	PURPOSE	FEES PAID
SERIES 1992A			
2/18/93	LEHMAN BROTHERS	ANAYTICAL SERVICES	84,405.74
7/1/93	INDUSTRIAL BANK OF JAPAN	LETTER OF CREDIT	53,489.15
7/1/93	SANWA BANK	LETTER OF CREDIT	53,489.15
7/1/93	SUMITOMO BANK	LETTER OF CREDIT	53,372.36
7/1/93	MITSUBISHI BANK	LETTER OF CREDIT	53,489.15
7/1/93	BANK OF TOKYO	LETTER OF CREDIT	53,255.57
7/1/93	NATIONAL WESTMINSTER BANK	LETTER OF CREDIT	53,489.15
7/9/93	LEWIS, WHITE, CLAY	COUNSEL SERVICES	6,509.25
4/1/92	PEAT MARWICK	AUDIT	13,950.00
4/14/92	LEWIS, WHITE, CLAY	COUNSEL SERVICES	203,390.07
4/17/92	DANTZLER LAW OFFICES	COUNSEL SERVICES	106,521.75
4/23/92	STANDARD & POOR'S CORPORATION	CREDIT RATING	30,000.00
5/7/92	AMERICAN FIN PRINTERS	PRINTING	36,018.00
5/22/92	RIGGS	ADMINISTRATION FEE	2,500.00
6/18/92	CHEMICAL BANK	ADMINISTRATION FEE	5,000.00
6/18/92	MUDGE, ROSE, GUTHRIE	FINANCIAL SERVICE	61,806.60
6/29/92	LAZARD FRERES	FINANCIAL SERVICE	273,890.78
6/29/92	MOODY'S INVESTORS SERVICE	CREDIT RATING	50,000.00
7/31/92	PEAT MARWICK	AUDIT	13,270.00
8/18/92	LEHMAN BROTHERS	ANAYTICAL SERVICES	99,319.00
10/16/92	M.R. BEAL & CO.	FINANCIAL SERVICE	125,000.00
10/16/92	M.R. BEAL & CO.	FINANCIAL SERVICE	125,000.00
11/5/92	LEHMAN BROTHERS	ANAYTICAL SERVICES	94,199.44
7/1/92	SANWA BANK	LETTER OF CREDIT	62,244.44
7/1/92	NATIONAL WESTMINSTER BANK	LETTER OF CREDIT	62,244.44
7/1/92	BANK OF TOKYO	LETTER OF CREDIT	61,995.46
7/1/92	MITSUBISHI BANK	LETTER OF CREDIT	62,244.44
7/1/92	INDUSTRIAL BANK OF JAPAN	LETTER OF CREDIT	62,244.44
7/1/92	SUMITOMO BANK	LETTER OF CREDIT	62,244.44
	TOTAL 92A		$2,024,582.82

SERIES 92B			
6/10/92	LEWIS, WHITE, CLAY	COUNSEL SERVICES	134,290.91
6/10/92	FITCH INVESTORS SERVICE	CREDIT RATING	15,000.00
6/18/92	WASHINGTON TIMES	ADVERTISEMENT	3,704.40
6/18/92	LEWIS, WHITE, CLAY	COUNSEL SERVICES	8,981.30
6/18/92	STANDARD & POOR'S CORPORATION	CREDIT RATING	37,600.00
6/19/92	DANTZLER LAW OFFICES	COUNSEL SERVICES	68,697.20
6/29/92	MOODY'S INVESTORS SERVICE	CREDIT RATING	28,000.00
6/29/92	RIGGS NATIONAL BANK	AMINISTRATION FEE	110.00
6/29/92	AMERICAN FINANCIAL PRINTERS	PRINTING	30,311.00
7/2/92	PEAT MARWICK	AUDIT	10,650.00
10/16/92	M.R. BEAL & CO.	FINANCIAL SERVICES	125,000.00
	TOTAL 92B		$462,344.81

SERIES 1993A			
5/13/93	DANTZLER LAW OFFICES	COUNSEL SERVICES	97,532.37
5/13/93	LEWIS, WHITE, CLAY	COUNSEL SERVICES	183,118.82
1/8/93	AMERICAN FINANCIAL PRINTERS	PRINTING	4,693.15
7/1/93	AMERICAN FINANCIAL PRINTERS	PRINTING	39,546.76
	TOTAL 93A		$324,891.10
SERIES 1993B			
5/24/93	DANTZLER LAW OFFICES	COUNSEL SERVICES	127,365.00
5/24/93	LEWIS WHITE CLAY	COUNSEL SERVICES	244,206.52
7/1/93	AMERICAN FINANCIAL PRINTERS	PRINTING	29,634.70
7/1/93	SUMITOMO BANK	LETTER OF CREDIT	68,126.64
	TOTAL 93B		$469,332.86
SERIES 1993C/D			
7/1/93	DANTZLER LAW OFFICE	COUNSEL SERVICES	90,846.00
7/9/93	LEWIS & CLAY	COUNSEL SERVICES	176,816.88
	TOTAL 93C/D		$267,662.88
SERIES 1993E			
7/1/93	DANTZLER LAW OFFICE	COUNSEL SERVICES	60,795.00
7/9/93	LEWIS & CLAY	COUNSEL SERVICES	117,928.63
	TOTAL 93E		$178,723.63

PAY ADJUSTMENT (SEE P. 1301)

Mr. DIXON. The last request for today Ms. Cheatham, is for Pay Adjustments. And for fiscal year 1994, you are asking for $70,680,000, and for 1993, in the supplemental, you are requesting $7,880,000 for pay raises.

If you have a statement prepared for the record, we will be pleased to receive it for the record. I notice you do not have a prepared statement.

I would ask you about the $7,880,000 for fiscal year 1993 for police officer's, firefighters, and compensation units 1 and 2. Is that——

Ms. CHEATHAM. Police, fire, as well as compensation units 1 and 2 that are based on collective bargaining agreements that have been negotiated between the Mayor and the Office of Labor Relations. Those contracts are presently making their way through the Council process and would require slight expenditures in fiscal year 1993.

SEVERANCE PAY (SEE P. 1314)

Mr. DIXON. You are requesting $10,410,000 to finance severance payments associated with reductions-in-force.

Ms. CHEATHAM. That is correct.

Mr. Dixon. Does any member of the committee have a question on any of these items? If not, thank you all very much for your testimony here today. We appreciate your time.

QUESTIONS FOR THE RECORD

I have a question on Severance Pay that I will submit for you to answer for the record.

[The Committee's question and the District's response follow:]

QUESTIONS FOR THE RECORD

Severance Pay

QUESTION:

What is the situation as far as reductions-in-force in the District government? How will the amount of severance pay be determined and how many people do you project will be involved?

ANSWER:

- There are 3,083 total position reductions of which 1,226 are abolished filled positions.
- Severance pay includes accumulated vacation leave and one week of pay for each year of service up to ten years and two weeks of pay for each year of service over ten years.
- It is not possible to provide an exact number of employees who will be involved in the reductions-in-force because employees identified in the abolished filled positions will be used to fill vacant positions District-wide as deemed appropriate.

Board of Elections and Ethics

Agency Overview

Mission
The mission of the Board of Elections and Ethics is to enfranchise eligible residents, conduct elections, and assure the integrity of the electoral process.

Agency Description
The board's mission is executed through the operation of a voter registration system; the administration of ballot access procedures for candidates and measures; delivery of voter information, education, and outreach services; acquisition and use of technical systems for voting, ballot tabulation, and mapping of election district boundaries; the planning and logistical support of election operations; and performance of legal counsel, rule-making, and adjudication services.

The work of the agency is carried out through the following major programs:

- Registration and Voter Services — includes voter registration, public and media information services, absentee voting, and qualification of candidates and measures for the ballot.
- Election Operations Support — includes the election work force, election-specific training and logistical support activity, and coordination of election security, transportation, facilities, and communications.
- Legal Counsel and Adjudication — includes formal board proceedings and legal services in support of board litigation, determination of challenges and appeals, legislative analysis, and agency rule making.
- Executive Direction and Support — includes agency management, planning, administrative activities, and all technical support systems.

Agency Budget Summary
FY 1994: The appropriated request for FY 1994 is $2,438,000 and 50.3 full-time equivalent (FTE) positions, a reduction of $195,000 with no change in FTEs from the revised FY 1993 budget and a reduction of $213,000 from the approved FY 1993 budget.
FY 1993 Revised: The revised FY 1993 appropriated request is $2,633,000 and 50.3 FTEs, a reduction of $18,000 from the approved FY 1993 budget.

Major changes include the following:

- A reduction of $58,000 for employee furlough savings.
- A reduction of $13,000 for savings from the cancellation of step increases in FY 1993.
- An increase of $6,000 in health benefits in FY 1993 and $15,000 in FY 1994.

- An increase of $70,000 for space rental costs in FY 1993 and FY 1994.

- Program reductions of $88,000 in FY 1994 resulting from reduced requirements for the September 1994 Mayoral/Council Primary; from completion of the Geographic Information System (GIS) redistricting project; and from savings from one-time costs in FY 1993 for computer system upgrade.

- FY 1994 management initiatives resulting in savings of $101,000 from the conversion from rented to in-house facility for election worker training and from reduced printing costs for voter registration application forms and election information mailer for the 1994 primary and general elections.

- Savings of $24,000 in FY 1994 and $23,000 in FY 1993 for Advisory Neighborhood Commission/Single Member District (ANC/SMD) special elections due to recent legislative amendments.

Budget Strategy and Impacts

Strategy: The workload and service demands of the agency will continue unabated through FY 1993 and should increase in FY 1994 as the time approaches for the September 1994 Mayoral/Council Primary elections. To meet the budget reductions in FY 1993 and a portion of the FY 1994 reduction, the agency will rely on astute management and new technology to accommodate the decrease in financial resources, albeit with some reduction in service to the electorate and no expansion or improvement to the service which could otherwise be made.

Impact: Effectiveness of agency program operations in building and sustaining public confidence in the District's election system has been reflected in both legislative expansion of agency functions and increased participation in the electoral process by District residents. With rising levels of voter registration and turnout and the addition of major new statutory responsibilities, the agency's workload has risen dramatically. The challenge of absorbing this growth in work responsibilities within the existing staff complement has been met with a continuing effort toward organizational change, better use of technology, management upgrades, and other productivity-enhancing measures. While some important programs have been sharply curtailed or eliminated in the face of shrinking resource availability and growing work volumes, essential services have been maintained at acceptable levels.

Board of Elections and Ethics

Table I **Agency Staffing and Funding Detail**

Programs	Staffing (FTE Positions)				Funding			
	FY92 Actual	FY93 Budget	FY93 Revised	FY94 Proposed	FY92 Actual	FY93 Budget	FY93 Revised	FY94 Proposed
Elections and Support	42.3	50.3	50.3	50.3	3,312,078	2,651,000	2,633,000	2,438,000
Total Agency	42.3	50.3	50.3	50.3	3,312,078	2,651,000	2,633,000	2,438,000
Appropriated Funds	42.3	50.3	50.3	50.3	3,312,078	2,651,000	2,633,000	2,438,000
Federal Funds	0.0	0.0	0.0	0.0	0	0	0	0
Intra-District Funds	0.0	0.0	0.0	0.0	0	0	0	0
Other Funds	0.0	0.0	0.0	0.0	0	0	0	0

Table II **Agency Outputs**

Measures	FY 1991	FY 1992	FY 1993	FY 1994
Programmed elections	1	3	1	1
Ballots cast	184,170	312,857	231,445	155,000
Registered voters	321,117	310,000	340,953	330,000
Voter Mailings	460,000	650,000	480,000	350,000
Registration transactions processed	56,071	109,916	96,000	65,000
Board meetings conducted	25	20	24	22
Contested proceeding held	10	21	22	15

Board of Elections and Ethics

Table III **Agency Appropriated Summary by Expenditure Type**

Expenditure Type	Staffing (FTE)				Funding			
	FY 92 Actual	FY 93 Budget	FY 93 Revised	FY 94 Proposed	FY 92 Actual	FY 93 Budget	FY 93 Revised	FY 94 Proposed
Personal Services								
Regular Pay	32.7	34.0	34.0	34.0	1,128,114	1,140,000	1,071,000	1,170,000
Other Pay	9.5	16.3	16.3	16.3	445,774	212,000	210,000	213,000
Additional Gross Pay	0.0	0.0	0.0	0.0	47,200	21,000	21,000	21,000
Fringe Benefits	0.0	0.0	0.0	0.0	175,353	179,000	185,000	194,000
Total Personal Services	42.2	50.3	50.3	50.3	1,796,441	1,552,000	1,487,000	1,598,000
NonPersonal Services								
Supplies					65,099	49,000	49,000	49,000
Energy					0	0	0	0
Communications					98,435	106,000	106,000	101,000
Building Rent					23,331	26,000	96,000	96,000
Other Services & Charges					1,238,773	816,000	793,000	527,000
Subsidies & Transfers					0	0	0	0
Equipment					90,000	102,000	102,000	67,000
Total NonPersonal Services					1,515,638	1,099,000	1,146,000	840,000
TOTAL AGENCY	42.2	50.3	50.3	50.3	3,312,079	2,651,000	2,633,000	2,438,000

District of Columbia
Board of Elections and Ethics

HEARING BEFORE THE COMMITTEE ON APPROPRIATIONS
U.S. HOUSE OF REPRESENTATIVES
DISTRICT OF COLUMBIA SUBCOMMITTEE

FY 1994 BUDGET and FY 1993 SUPPLEMENTAL BUDGET REQUEST

STATEMENT OF EMMETT H. FREMAUX, JR.
EXECUTIVE DIRECTOR

Good afternoon Mr. Chairman and Members of the Committee. I am Emmett H. Fremaux, Jr., Executive Director of the D.C. Board of Elections and Ethics. Thank you for the opportunity to present the Board's FY 1993 revised budget and FY 1994 budget request.

As you know, the Board is an independent charter agency with a unique mission, one fundamental both to democracy in general and to our Home Rule Government in particular. The Board's charge is to provide the systems and deliver the services to enfranchise all eligible District residents, to conduct their elections, and to ensure the integrity of the electoral process. Our efforts to fulfill that duty have led us, over the past eight years, to implement a comprehensive program of election reforms — an effort that today has placed the District in the forefront nationally, as one of the model election systems used as the basis for the landmark election reform legislation, the "National Voter Registration Act of 1993". This federal bill, part of President Clinton's 100-day agenda, was signed into law in May 1993.

By instituting here in the District progressive reforms that are now the subject of national legislation — such as voter registration by mail, "motor voter" registration, and agency-based registration — and by designing other innovative programs to stimulate and support voter participation — such as assistance to campaigns and registration drives; comprehensive voter, candidate, and media information services; 24-hr registration request phone lines; voting accessibility for the elderly and handicapped; youth elections and literacy projects -- the Board has increased participation in the electoral process and brought quality election services to voters. Intensive pollworker training, field management controls, and state-of-the art computer ballot counting have made election day in the District an orderly and smooth running event that works to increase public confidence and further encourage participation.

These election reforms have brought national recognition to the District not because they are progressive, but because they have produced concrete results in the form of dramatically expanded rates of D.C. voter registration and turnout. From 1984 to 1992, the District increased its rate of voter registration from 56.1% to 74.3% of the voting age population -by far the greatest increase of any state — and showed steady increases in voter turnout as well. In the 1992 Presidential General Election, D.C. set all-time records for both voter registration and turnout — one of only four states to do so — with 41,000 more registrants and 34,000 more voters participating than in 1988. And in that recent election, some 200 international visitors

from emerging democracies all over the world toured the District's polling places and counting center operation to observe our model system in action.

The investment made in past budget years by funding the development of the District's election system has truly paid off. The unprecedented growth of the system, however, has created new financial pressures for maintaining the expanded operation — especially in the current fiscal crisis. I must tell you candidly that the budgets before you do not adequately address this growth factor, which will become critical to our future success in election administration. There is no funding here for additional voting equipment, for expansion of precincts, for recruiting and employing extra pollworkers, and for increased logistical support for expanded service levels. There is also the imposition of across the board austerity management throughout our operation, including the curtailment of some our most effective voter information mailing programs, which have been in place since 1984. Past investments made to build a strong election system have enabled this agency for a number of years to find ways of doing more with less; but the current budget crisis will impose a vital change for us, in some key areas, to doing less with less.

The Board's mission is severely impacted by the current budget reductions as a result of two fundamental constraints on our financial management options. These are:

(1) Statutory Requirement for Election Functions

The Board's budgeted programs are those legally required to implement the District's election laws. Virtually all agency expenditures support mandated functions that are statutorily or operationally essential to the electoral process. These myriad activities -registering voters, qualifying candidates, printing ballots, operating polling places, verifying petitions, tabulating votes, defining election boundaries, conducting hearings, etc. — are all mandatory actions, with cost impacts that are essentially fixed. Absent discretionary programs to eliminate or the repeal of legislative mandates, achieving structural reductions in this agency's operating budget is not feasible.

(2) Lack of a Viable Downsizing Option

Unlike many agencies, the Board's permanent staff (34 CFT positions) has remained unchanged over the past nine (9) fiscal years — while workload has expanded dramatically due to growth in the electoral process and new legislation. The Board has responded by upgrading technology, improving management, eliminating discretionary programs, making organizational changes, devising program innovations, and seeking legislative relief While these actions have enabled the agency to maintain service levels and absorb new functions without adding personnel, the outer limits of CFT staff utilization have been reached. In relation to its current workload and duties, the agency has become effectively understaffed — so that downsizing, as a means to achieve further budget reductions, is not a viable option.

Given these constraints, the Board is unable either to eliminate fundamental programs, due to legal requirements, or to reduce core staff, due to the existing personnel deficit. The avenues that remain available to achieve budget reductions are only three — program adjustments, management initiatives, and legislative relief — all of which have been utilized to the greatest extent possible in FY 1993 and FY 1994 financial planning.

For FY 1994, our appropriated request is $2,438,000, a reduction of $213,000 from the approved FY 1993 budget, with no change in position funding. This substantial decrease in funding has a significant negative impact on basic voter services. After absorbing $88,000 in program adjustments for reduced election costs, savings on a computer system upgrade, and elimination of GIS funding due to completion of redistricting — and after factoring in a $24,000 savings on ANC election requirements made possible by recent Council legislation — $101,000 in management initiatives are required. These include:

- $7,000 savings in training facility rental costs achieved by conversion to in-house training program for election workers;

- $11,000 savings in printing costs by changing from pre-numbered registration application forms to a computer-assigned application numbering system;

- $9,000 savings in computer system maintenance costs made feasible by the FY 1993 system upgrade; and

- $74,000 savings on printing costs through drastic revision of the agency election information mailer for the 1994 primary and general elections. The comprehensive election year voter information packet will be reduced to a barebones postcard containing only the most basic information (reduction in unit cost from $0.28 to $0.06 at projected volume of 340,000).

It is in the last of these items that a significant curtailment of established voter services will occur, by effective elimination of a primary voter education tool — the Board's election year information mailer. Since 1984, these mailers have provided D.C. voters with comprehensive election information, from the individual's personal registration record and voting location, to contests on the ballot, absentee voting procedures, primary and general election profiles, party affiliation significance, and functions of elective offices. These mailers have included postage paid return postcards for address and party updates, elderly and handicapped services, and voter registration information — which stimulate thousands of return mailings, telephone inquiries, and registrations. As an interactive tool for communicating with the electorate, these sophisticated mailers take advantage of state-of-the-art technology and work to increase participation. Substituting a simple postcard election notice for this service will represent a reversal of progress made in delivering quality election services to District voters.

Mr. Chairman, this agency recognizes that the District's financial crisis is real and that we are responsible for sharing the burden of reduced funding. We must also, however, respond to our duty to ensure that the electoral process in the District -- a fundamental priority of Home Rule — can operate with integrity and effectiveness. Breakdowns in the election system, which the

District experienced in a most traumatic fashion in the early 1980's, will occur again if the system's critical components are not adequately supported. In FY 1993, the agency is constrained from taking needed actions to retool service structures for an expanded electorate; and in FY 1994 we will be unable to maintain our established level of voter information services in a major election year. This degradation of capability will not cause an immediate collapse or undermine the agency mission, but it should be recognized as a warning flag that key needs of our election system are not being met.

This concludes my prepared testimony on the Board's FY 1994 operating budget. I will be happy to answer any questions that the Chairman or Members of the Committee may have.

Office of Campaign Finance

Agency Overview

Mission

The mission of the Office of Campaign Finance (OCF) is to preserve the confidence of the public in the integrity of the District government and to ensure trust by enforcing District of Columbia laws pertaining to campaign finance, lobbying, conflict of interest, and ethical conduct of public officials.

Agency Description

The agency's mission is accomplished by achieving compliance with the D.C. Campaign Finance Act and its implementing regulations, and the D.C. Employee Conduct Regulations. The work of the agency includes:

- promulgating regulations and rendering interpretative opinions regarding the application of these laws;
- monitoring financial disclosure by political committees, candidates, lobbyists, and public officials; and
- Processing, assimilating, and maintaining required reports and statements for public inspection.

Agency Budget Summary

FY 1994: The appropriated request for FY 1994 is $1,049,000 and 23 full-time equivalent (FTE) positions, an increase of $41,000 over the revised FY 1993 request and a decrease of $12,000 from the approved FY 1993 budget.

FY 1993 Revised: The revised FY 1993 appropriated request is $1,008,000 and 23 FTEs, a decrease of $53,000 from the approved FY 1993 budget.

Major changes include the following:

- A reduction of $37,000 in FY 1993 for furlough savings.
- A reduction of $8,000 for savings from the cancellation of step increases in FY 1993.
- An increase of $4,000 in health benefits in FY 1993 for the period January 1, 1993 through September 30, 1993 and an increase of $9,000 for FY 1994.
- A reduction of $9,000 in equipment in FY 1994.
- A reduction of $12,000 in supplies in FY 1993 and FY 1994.

Office of Campaign Finance

Budget Strategy and Impacts

Strategy: The workload and service demands of the agency's programs will continue in FY 1993 and FY 1994. In FY 1993, the OCF will restructure its procedures for conducting investigations and audits of alleged violations of the Campaign Finance Act in order to accomplish its mission with available resources.

Impact: Increased staff productivity is expected from management efficiencies and the full implementation of the agency's enhanced integrated Information Systems network in FY 1994.

Table I **Agency Staffing and Funding Detail**

Programs	Staffing (FTE Positions)				Funding			
	FY92 Actual	FY93 Budget	FY93 Revised	FY94 Proposed	FY92 Actual	FY93 Budget	FY93 Revised	FY94 Proposed
Office of Campaign Finance	20.6	23.0	23.0	23.0	1,067,342	1,061,000	1,008,000	1,049,000
Total Agency	20.6	23.0	23.0	23.0	1,067,342	1,061,000	1,008,000	1,049,000
Appropriated Funds	20.6	23.0	23.0	23.0	1,054,256	1,061,000	1,008,000	1,049,000
Federal Funds	0.0	0.0	0.0	0.0	0	0	0	0
Intra-District Funds	0.0	0.0	0.0	0.0	0	0	0	0
Other Funds	0.0	0.0	0.0	0.0	13,086	0	0	0

Table II **Agency Outputs**

Measures	FY 1991	FY 1992	FY 1993	FY 1994
Financial Statements Processed	7,983	7,560	9,072	10,432
Other Reports Processed	4,717	3,800	4,560	5,245
Federal Reports Intake	3,370	3,000	3,600	5,000
Desk Audits Conducted	11,658	8,540	10,248	12,300
Field Audits Conducted	40	20	24	40

Office of Campaign Finance

Table III **Agency Appropriated Summary by Expenditure Type**

Expenditure Type	Staffing (FTE)				Funding			
	FY 92 Actual	FY 93 Budget	FY 93 Revised	FY 94 Proposed	FY 92 Actual	FY 93 Budget	FY 93 Revised	FY 94 Proposed
Personal Services								
Regular Pay	13.7	22.0	22.0	22.0	603,248	749,000	704,000	749,000
Other Pay	7.0	1.0	1.0	1.0	147,224	8,000	8,000	8,000
Additional Gross Pay	0.0	0.0	0.0	0.0	41,636	5,000	5,000	5,000
Fringe Benefits	0.0	0.0	0.0	0.0	104,982	131,000	135,000	140,000
Total Personal Services	20.7	23.0	23.0	23.0	897,090	893,000	852,000	902,000
NonPersonal Services								
Supplies					8,496	20,000	8,000	8,000
Energy					9,482	5,000	5,000	5,000
Communications					14,927	13,000	13,000	13,000
Building Rent					0	0	0	0
Other Services & Charges					64,302	70,000	70,000	70,000
Subsidies & Transfers					0	0	0	0
Equipment					59,958	60,000	60,000	51,000
Total NonPersonal Services					157,165	168,000	156,000	147,000
TOTAL AGENCY	20.7	23.0	23.0	23.0	1,054,255	1,061,000	1,008,000	1,049,000

STATEMENT OF ROBERT A. LANE
ACTING DIRECTOR
OFFICE OF CAMPAIGN FINANCE

BEFORE THE COMMITTEE ON APPROPRIATIONS

U.S. HOUSE OF REPRESENTATIVES DISTRICT OF COLUMBIA SUBCOMMITTEE
ON THE
FY 1994 BUDGET AND FY 1993 REVISED BUDGET

JUNE 18, 1993

MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE, I AM ROBERT A. LANE, ACTING DIRECTOR OF THE OFFICE OF CAMPAIGN FINANCE. ON APRIL 2, 1993, I WAS APPOINTED BY THE MAYOR AS ACTING DIRECTOR OF THE OFFICE OF CAMPAIGN FINANCE AND MY CONFIRMATION HEARING WAS HELD ON JUNE 9, 1993 BEFORE THE COMMITTEE ON GOVERNMENT OPERATIONS, DISTRICT OF COLUMBIA COUNCIL. I WOULD LIKE TO SUBMIT A BRIEF STATEMENT SUMMARIZING THIS AGENCY'S FY 1993 REVISED BUDGET AND OUR REQUEST FOR FY 1994.

THE MISSION OF THE OFFICE OF CAMPAIGN FINANCE (OCF) IS TO PRESERVE THE CONFIDENCE OF THE PUBLIC IN THE INTEGRITY OF THE DISTRICT GOVERNMENT AND TO ENSURE TRUST BY ENFORCING DISTRICT OF COLUMBIA LAWS PERTAINING TO CAMPAIGN FINANCE, LOBBYING, CONFLICT OF INTEREST AND ETHICAL CONDUCT OF PUBLIC OFFICIALS. THE OCF ALSO PROMULGATES REGULATIONS AND RENDERS INTERPRETATIVE OPINIONS REGARDING THE APPLICATION OF THESE LAWS. IN ADDITION THE OCF MONITORS FINANCIAL DISCLOSURE BY POLITICAL COMMITTEES, CANDIDATES, LOBBYISTS AND OTHER PUBLIC OFFICIALS, AS WELL AS, MAINTAINS REQUIRED REPORTS AND STATEMENTS FOR PUBLIC INSPECTION.

IN FISCAL YEAR 1992, THE OFFICE OF CAMPAIGN FINANCE IMPLEMENTED A REALIGNMENT OF THE AGENCY'S FUNCTIONS. SUBSEQUENTLY, CERTAIN FUNCTIONS WERE MERGED FOR MORE EFFECTIVE AND EFFICIENT PUBLIC SERVICE DELIVERY. THE REVISED FY 1993 BUDGET TOTALS $1,008,000 WHICH SUPPORTS TWENTY-THREE AUTHORIZED POSITIONS, REPRESENTING A DECREASE OF $53,000 FROM THE FY 1993 CONGRESSIONALLY APPROVED BUDGET WITH NO CHANGE IN THE NUMBER OF AUTHORIZED POSITIONS. THE REDUCTION OF $53,000 INCLUDES A $37,000 EMPLOYEE FURLOUGH; WITHIN-GRADE COSTS AT $8,000; $12,000 DECREASE IN SUPPLIES; AND A $4,000 COST INCREASE FOR HEALTH BENEFITS.

THE FY 1994 PROPOSED BUDGET TOTALS $1,049,000 WITH TWENTY-THREE AUTHORIZED POSITIONS, REPRESENTING AN INCREASE OF $41,000 FROM THE FY 1993 REVISED BUDGET AMOUNT AND A DECREASE OF $12,000 FROM THE FY 1993 CONGRESSIONALLY APPROVED BUDGET. THE RESTORAL OF $41,000 IS A RESULT OF THE DISCONTINUANCE OF EMPLOYEE FURLOUGHS, THE COST ASSOCIATED FOR WITHIN-GRADE INCREASES, AND ALLOW FOR AN INCREASE OF $4,000 FOR HEALTH BENEFITS.

APPROVED FUNDING FOR THE COMPLETION OF A STATE-OF-THE-ART COMPUTER OPTICAL LASER SYSTEM IS ALSO BEING REQUESTED IN THE FY 1994 CAPITAL BUDGET. THIS FUNDING, TOTALLING $213,000, WILL PERMIT THE AGENCY TO REDUCE FUTURE SYSTEM OPERATING AND MAINTENANCE COSTS BY CONVERTING THE CURRENT OPERATIONS TO THE NEW OPTICAL LASER SYSTEM. ONCE THE CONVERSION IS COMPLETE, THIS SYSTEM WILL SIMPLIFY DATA COLLECTION AND ENTRY, IMPROVE WORK FLOW BY ELIMINATING MICROFILM PROCESSING, AND WILL PROVIDE EFFECTIVE TRACKING OF CAMPAIGN FINANCE FILERS.

IN CLOSING MR. CHAIRMAN, I WOULD LIKE TO STATE THAT THE FY 1993 REVISED AND FY 1994 PROPOSED LEVEL OF FUNDING IS THE MINIMAL AMOUNT NEEDED TO ENSURE THAT THE OFFICE OF CAMPAIGN FINANCE CONTINUES TO FUNCTION AT AN ACCEPTABLE LEVEL OF EFFICIENCY, WHILE PROCEEDING WITH PLANNED AND NECESSARY SERVICE DELIVERY IMPROVEMENTS.

Office of Employee Appeals

Agency Overview

Mission

The mission of the Office of Employee Appeals is to ensure that impartial and legally sound decisions of appeals of work-related issues filed by District employees are rendered in a timely manner.

Agency Description

The Office of Employee Appeals is an administrative hearing agency that adjudicates appeals filed by District employees concerning: Adverse Actions, Performance Ratings, Classifications, Privacy and Records Management, Erroneous Employee Payment, Reductions-In-Force, and Grievances.

Agency Budget Summary

FY 1994: The appropriated budget request for FY 1994 is $1,897,000 and 23 full-time equivalent (FTE) positions, a net increase of $52,000 over the revised FY 1993 request and an increase of $626,000 over the approved FY 1993 budget.

FY 1993 Revised: The revised FY 1993 appropriated budget request is $1,845,000 and 23 FTEs, an increase of $574,000 over the approved FY 1993 budget.

Major changes include the following:

- An increase of $653,000 in FY 1993 and FY 1994 for rental space in the Presidential Building (415 12th Street N.W.).
- An increase of $4,000 in FY 1993 for health benefits for the period January 1, 1993 through September 30, 1993 and $9,000 for the entire FY 1994.
- A base reduction in FY 1993 and FY 1994 totaling $5,000 in equipment purchases.
- FY 1993 furlough reduction of $39,000.
- A reduction of $8,000 in FY 1993 for the cancellation of step increases.
- A reduction of $31,000 in contractual services in FY 1993 and FY 1994.

Budget Strategy & Impacts

Strategy: In FY 1993 and FY 1994, the office will continue to address the challenge of meeting the mandates of D.C. Law 8-127, which requires the office to adjudicate appeals filed after May 15, 1990 within 120 days from the date of filing. The office will review case assignments to ensure that appeals involving substantive issues will be given priority.

Impacts: Increased funding for rent, along with productivity increases due to automation, will allow the office to meet its priorities.

Office of Employee Appeals

Table I Agency Staffing and Funding Detail

Programs	Staffing (FTE Positions)				Funding			
	FY92 Actual	FY93 Budget	FY93 Revised	FY94 Proposed	FY92 Actual	FY93 Budget	FY93 Revised	FY94 Proposed
Office of Employee Appeals	22.4	23.0	23.0	23.0	1,239,399	1,271,000	1,845,000	1,897,000
Total Agency	22.4	23.0	23.0	23.0	1,239,399	1,271,000	1,845,000	1,897,000
Appropriated Funds	22.4	23.0	23.0	23.0	1,239,399	1,271,000	1,845,000	1,897,000
Federal Funds	0.0	0.0	0.0	0.0	0	0	0	0
Intra-District Funds	0.0	0.0	0.0	0.0	0	0	0	0
Other Funds	0.0	0.0	0.0	0.0	0	0	0	0

Table II Agency Outputs

Measures	FY 1991	FY 1992	FY 1993	FY 1994
General Counsel cases carried over from previous fiscal year	451	424	386	331
General Counsel number of cases filed during the fiscal year	167	184	175	175
General Counsel number of cases decided during the fiscal year	194	222	230	250
General Counsel percentage of caseload decided	31%	37%	41%	49%

Table III Agency Appropriated Summary by Expenditure Type

Expenditure Type	Staffing (FTE)				Funding			
	FY 92 Actual	FY 93 Budget	FY 93 Revised	FY 94 Proposed	FY 91 Actual	FY 93 Budget	FY 93 Revised	FY 94 Proposed
Personal Services								
Regular Pay	18.1	22.0	22.0	22.0	733,738	850,000	803,000	850,000
Other Pay	4.4	1.0	1.0	1.0	124,921	33,000	33,000	33,000
Additional Gross Pay	0.0	0.0	0.0	0.0	11,350	0	0	0
Fringe Benefits	0.0	0.0	0.0	0.0	113,884	128,000	132,000	137,000
Total Personal Services	22.5	23.0	23.0	23.0	983,893	1,011,000	968,000	1,020,000
NonPersonal Services								
Supplies					14,699	16,000	16,000	16,000
Energy					0	0	0	0
Communications					10,642	8,000	8,000	8,000
Building Rent					119,947	86,000	739,000	739,000
Other Services & Charges					76,137	107,000	76,000	81,000
Subsidies & Transfers					0	0	0	0
Equipment					34,080	43,000	38,000	33,000
Total NonPersonal Services					255,505	260,000	877,000	877,000
TOTAL AGENCY	22.5	23.0	23.0	23.0	1,239,398	1,271,000	1,845,000	1,897,000

D.C. OFFICE OF EMPLOYEE APPEALS
STATEMENT OF ALTON E. WOODS
BEFORE THE
COMMITTEE ON APPROPRIATIONS
U.S. HOUSE OF REPRESENTATIVES
DISTRICT OF COLUMBIA SUBCOMMITTEE
FISCAL YEARS
1994 BUDGET
AND
1993 REVISED BUDGET
HEARINGS

MR. CHAIRMAN, I WOULD LIKE TO THANK YOU AND THE MEMBERS OF THE COMMITTEE FOR GIVING ME THE OPPORTUNITY TO PRESENT THE BUDGET REQUIREMENTS OF THE OFFICE OF EMPLOYEE APPEALS. WE ARE ALL AWARE OF THE DISTRICT'S CURRENT FINANCIAL SITUATION AND THE NEED FOR FISCAL RESTRAINT. WITH THOSE CONCERNS IN MIND, I HAVE CAREFULLY REVIEWED THE NEEDS OF THE OFFICE TO DETERMINE HOW WE MIGHT BEST MAXIMIZE OUR PERFORMANCE WITH THE LIMITED RESOURCES AVAILABLE. HOWEVER, BEFORE PRESENTING THAT BUDGETARY INFORMATION I WOULD LIKE TO BRIEFLY REVIEW THE STATUTORY RESPONSIBILITIES OF THE OFFICE.

AGENCY OVERVIEW

THE OFFICE WAS CREATED IN 1980 TO ADJUDICATE APPEALS FILED BY DISTRICT GOVERNMENT EMPLOYEES CONCERNING PERFORMANCE RATINGS, ADVERSE ACTIONS, REDUCTIONS-IN-FORCE, GRIEVANCES, ERRONEOUS PAYMENTS, AND PRIVACY AND RECORDS MANAGEMENT.

BETWEEN 1980 AND 1983, THE OFFICE ACCUMULATED A BACKLOG OF OVER 400 CASES. ALTHOUGH THE OFFICE WAS USUALLY ABLE TO ADJUDICATE ENOUGH APPEALS TO KEEP PACE WITH THE NUMBER OF APPEALS FILED EACH YEAR, WE DID NOT HAVE SUFFICIENT RESOURCES TO REDUCE THE BACKLOG SIGNIFICANTLY.

IN 1990, THE COUNCIL ENACTED THE "OFFICE OF EMPLOYEE APPEALS AMENDMENT ACT", D.C. LAW 8-127. THIS ACT, IN PART REQUIRED THE OFFICE TO ADJUDICATE WITHIN 120 WORK DAYS OF THE DATE FILED, ALL NEW CASES AS WELL AS ALL OLD CASES WHICH HAD NOT GONE TO HEARING BY MAY 15, 1990. AT THE TIME THE NEW LAW WENT INTO EFFECT, THE OFFICE HAD 315 CASES IN VARIOUS STAGES OF ADJUDICATION.

WE FORESAW NO DIFFICULTY IN ADJUDICATING THE NEW CASES WITHIN 120 DAYS. HOWEVER, WE LACKED SUFFICIENT RESOURCES TO SIMULTANEOUSLY ADJUDICATE THE OLD CASES AND STILL MEET THE 120 DAY TIME LIMIT FOR THE NEW CASES. OEA DETERMINED THAT THE CONSTITUTIONAL REQUIREMENT FOR DUE PROCESS COMPELLED THE OFFICE TO CONTINUE ADJUDICATING THE OLD CASES EVEN IF IT WOULD PREVENT THE OFFICE FROM ADJUDICATING THE NEW CASES WITHIN 120 DAYS.

BY PROCESSING OLD AND NEW CASES SIMULTANEOUSLY, THE OFFICE HAS BEEN ABLE TO ADJUDICATE 99% OF THE OLD CASES AND 40% OF THE NEW CASES.

TO FACILITATE THE RESOLUTION OF THE PENDING CASES, OEA HAS TAKEN STEPS TO MAXIMIZE ITS AVAILABLE RESOURCES. THOSE STEPS INCLUDE:

1) DEVELOPING A SETTLEMENT/MEDIATION PROGRAM TO AVOID, WHEN POSSIBLE, LENGTHY ADJUDICATION;

2) ESTABLISHING A CASE TRACKING SYSTEM TO MONITOR THE PROGRESS OF CASES;

3) ESTABLISHING A COMPUTERIZED INDEX SYSTEM TO ALLOW EASY ACCESS TO OEA PRECEDENT- THIS RESEARCH SYSTEM WILL ALSO BE AVAILABLE TO THE PUBLIC;

4) PHASING OUT OUR MASTER FILING SYSTEM IN FAVOR OF A SIMPLER SYSTEM MAINTAINED BY INDIVIDUAL ADMINISTRATIVE JUDGES;

5) USING REGULAR MAIL INSTEAD OF THE MORE COSTLY CERTIFIED MAILING PROCESS.

FY 1994 BUDGET

IN FY 1994, THE OFFICE REQUESTS AN OPERATING BUDGET TOTALING ONE MILLION, EIGHT HUNDRED AND NINETY-SEVEN THOUSAND DOLLARS ($1,897,000) AND 23 CONTINUING FULL TIME POSITIONS. THE MAJOR BUDGET ISSUES IN THE FY 1994 REQUEST INCLUDES: A THIRTY-ONE THOUSAND DOLLAR ($31,000) BASE REDUCTION IN CONTRACTUAL SERVICES FOR ABRITRATION, A FIVE THOUSAND DOLLAR ($5,000) BASE REDUCTION IN EQUIPMENT PURCHASES, A NINE THOUSAND DOLLAR ($9,000) INCREASE TO COVER THE ESCALATING COST OF HEALTH BENEFITS, AND A SIX HUNDRED FIFTY-THREE THOUSAND DOLLAR ($653,000) INCREASE FOR RENTAL SPACE IN THE PRESIDENTIAL BUILDING.

FY 1993 REVISED BUDGET

OUR FY 1993 REVISED BUDGET REQUEST IS FOR ONE MILLION, EIGHT HUNDRED AND FOURTY-FIVE THOUSAND DOLLARS ($1,845,000) AND 23 CONTINUING FULL TIME POSITIONS. THIS REQUEST REPRESENTS A NET INCREASE OF FIVE HUNDRED AND SEVENTY-FOUR THOUSAND DOLLARS ($574,000) FROM THE FY 1993 APPROVED BUDGET. THE REVISED BUDGET INCLUDES AN INCREASE OF SIX HUNDRED AND FIFTY-THREE THOUSAND DOLLARS ($653,000) FOR RENT, A FURLOUGH REDUCTION TOTALING THIRTY-NINE THOUSAND DOLLARS ($39,000), AN EIGHT THOUSAND DOLLAR ($8,000) REDUCTION FOR WITHIN GRADE INCREASES, A THIRTY-ONE THOUSAND DOLLAR ($31,000) BASE REDUCTION IN CONTRACTUAL SERVICES AND A FIVE THOUSAND DOLLAR ($5,000) BASE REDUCTION IN EQUIPMENT PURCHASES.

SUMMARY

MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE, I HAVE SUBMITTED TO YOU AN EXPLANATION OF OUR FISCAL YEAR 1994 AND 1993 REVISED BUDGET REQUESTS. THESE REQUESTS REPRESENT A CAREFUL ASSESSMENT OF THE MINIMUM THE OFFICE WILL NEED TO CARRY OUT ITS MISSION AND FISCAL YEAR OBJECTIVES. OEA REMAINS COMMITTED TO MAINTAINING A HIGH QUALITY WORK PRODUCT WHILE AT THE SAME TIME RECOGNIZING THAT FISCAL CONSTRAINTS REQUIRE US TO DO MORE WITH LESS.

Metropolitan Washington Council of Governments

Agency Overview

Mission

The mission of the Council of Governments (COG) is to provide a forum for a cooperative regional resolution of regional issues.

Agency Description

The Metropolitan Washington Council of Governments (COG) was organized in 1957 by designation of the U.S. Departments of Housing and Urban Development, Transportation, and Environmental Protection. It is the official regional planning organization. COG's activities are supervised by a board of directors which represents all participating local governments as well as the states of Maryland and Virginia. It is funded by voluntary contributions of its member local governments on a per capita basis. These contributions are used to match a variety of state and federal grants and contracts to underwrite COG's program. COG works towards solutions to such regional problems as energy shortages, traffic congestion, inadequate housing, and air and water pollution.

Agency Budget Summary

FY 1994: The appropriated request for FY 1994 is $400,000, the same funding level as the approved FY 1993 budget.

FY 1993 Revised: The revised FY 1993 appropriated request is $400,000, no change from the approved FY 1993 budget.

Budget Strategy and Impacts

Because of the economic recession, total local contributions have remained essentially the same during the past two years. COG will continue to emphasize fiscal restraint; it has initiated a number of cost-reduction measures to contain overhead costs. Continued monitoring of all facets of the organization to ensure efficiency and effectiveness will continue as a high priority in FY 1994.

Table I **Agency Staffing and Funding Detail**

Programs	Staffing (FTE Positions)				Funding			
	FY92 Actual	FY93 Budget	FY93 Revised	FY94 Proposed	FY92 Actual	FY93 Budget	FY93 Revised	FY94 Proposed
Metro. Wash.Council of Governments	0.0	0.0	0.0	0.0	400,000	400,000	400,000	400,000
Total Agency	0.0	0.0	0.0	0.0	400,000	400,000	400,000	400,000
Appropriated Funds	0.0	0.0	0.0	0.0	400,000	400,000	400,000	400,000
Federal Funds	0.0	0.0	0.0	0.0	0	0	0	0
Intra-District Funds	0.0	0.0	0.0	0.0	0	0	0	0
Other Funds	0.0	0.0	0.0	0.0	0	0	0	0

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Metropolitan Washington Council of Governments

Table II **Agency Appropriated Summary by Expenditure Type**

Expenditure Type	Staffing (FTE)				Funding			
	FY 92 Actual	FY 93 Budget	FY 93 Revised	FY 94 Proposed	FY 92 Actual	FY 93 Budget	FY 93 Revised	FY 94 Proposed
Personal Services								
Regular Pay	0.0	0.0	0.0	0.0	0	0	0	0
Other Pay	0.0	0.0	0.0	0.0	0	0	0	0
Additional Gross Pay	0.0	0.0	0.0	0.0	0	0	0	0
Fringe Benefits	0.0	0.0	0.0	0.0	0	0	0	0
Total Personal Services	0.0	0.0	0.0	0.0	0	0	0	0
NonPersonal Services								
Supplies					0	0	0	0
Energy					0	0	0	0
Communications					0	0	0	0
Building Rent					0	0	0	0
Other Services & Charges					0	0	0	0
Subsidies & Transfers					400,000	400,000	400,000	400,000
Equipment					0	0	0	0
Total NonPersonal Services					400,000	400,000	400,000	400,000
TOTAL AGENCY	0.0	0.0	0.0	0.0	400,000	400,000	400,000	400,000

STATEMENT

OF

RUTH R. CRONE
EXECUTIVE DIRECTOR

METROPOLITAN WASHINGTON COUNCIL OF GOVERNMENTS

COG FY 1994 REQUEST FOR FUNDING FROM THE DISTRICT OF COLUMBIA

JUNE 18, 1993

Introduction

COG is the cooperative association of the 17 major cities and counties of the Washington metropolitan area. The District has been actively involved with COG since its inception in 1957. COG serves as a vehicle through which the local and state governments in the area, and at times, the federal government and the private sector, can undertake joint or coordinated programs to alleviate problems which are multijurisdictional or region-wide in nature. It also analyzes issues and identifies opportunities when it is not possible or practical for a single local government to do so. This provides a means by which the local governments of the region can qualify for federal aid programs that require the existence of such a planning process and serves as a mechanism through which access to certain federal grants may be obtained by individual local governments not directly eligible, most notably, funding through the new Surface Transportation Act -- more than $719 million has been earmarked to support high priority District projects.

Fiscal Restraint

COG, like its member governments, continues to operate in an environment of tightening resources on one hand and increasing demands and requirements on the other. We have been especially sensitive to the fiscal pressures on our members. FY 1993 was the first year in COG's history that we did not request an increase in the total level of general local contributions. For the second year in a row, no increase will be sought in FY 1994.

During the past two years COG initiated a number of cost containment and revenue enhancement initiatives. These included eliminating the COLA for COG staff in both FY 1992 and FY 1993; instituting salary freezes for the Executive Director and all Department and Office Heads (approximately 10% of the staff); only hiring staff for primarily non-locally funded positions; containing overhead costs in such areas as utilities in our building; rental of unused office space and conference rooms; improving cash flow management and marketing of COG publications; and creative sharing of COG staff between departments to maximize the amount of non-local funding that COG was eligible to receive from federal and foundation grantors.

Continued monitoring and oversight of all facets of the organization to ensure efficiency and effectiveness will continue to be a high priority throughout FY 1994.

FY 1994 Request

The COG Board and General Membership annually set the total amount of General Local Contributions requested from COG members. The amount that each government is then asked to pay of the total is the jurisdiction's pro-rata share of the region's population. For example, the District's population, as supplied by the Office of the City Administrator, is approximately 16.1% of the total

population of the region and its share of the General Local Contribution is 16.1% of the COG total local budget or $319,218. This amount is approximately $71,500 less than the amount requested in FY 1993.

An additional $31,782 is requested as the District's contribution to support the HUD-funded Work/Study Program for economically disadvantaged students. Finally, the balance of COG's request, $49,000, is passed through to the Washington Ear, an independent, non-profit organization serving sight impaired residents of the District of Columbia. The total amount requested from the District is $400,000, the same amount as in the current fiscal year.

FY 1994 Budget Themes

The FY 1994 COG Work Program and Budget continues to emphasize fiscal restraint and stability, also the hallmark of the FY 1993 Budget.

As you are only too well aware, many local governments were compelled to cut services, reduce staff, and in some cases, raise taxes. I believe that since COG presented a realistic, fiscally prudent budget last year, all member governments were able to support COG's funding requests for FY 1993. I believe that this show of confidence and support by COG's members during such a difficult time was in large part due to the realization that an investment in COG returns many benefits: Significant and growing savings through our Cooperative Purchasing Program, provision of computer and technical assistance at costs much below market rates, and attention to the issues and concerns of importance to the region and our members.

COG is Unique Among Regional Agencies

There are four unique aspects to consider when reviewing COG's request for FY 1994 funding: First, COG relies on General Local Contributions to match federal and state grants and to fund priority activities identified by the COG Board for which no other funding is available. COG starts each year having to raise approximately 80% of its revenue since COG has no guaranteed funding base, user fees, or taxes that are available to general purpose local governments. In FY 1994, these local matching funds are more critical than ever because of the need to provide a match to the Surface Transportation Act that will enable COG to meet federal transportation planning and programming requirements.

Second, throughout its 35-year history, COG member governments have provided their local funding assessment to COG because they valued and supported regional approaches to areawide problems and were aware of the political and administrative inequities and difficulties that would ensue if some but not all COG members

withheld a portion of their annual contribution. If this happened, COG's ability to meet the federal legislative requirements described above and other local high priority activities, such as addressing key environmental concerns, would be seriously impaired.

We need and want the District's full participation. With the Surface Transportation Act and Clean Air Amendments, the District will need to participate at the table where major decisions will be made by COG member governments. These include the allocation of significant new sources of federal funds and the hard decisions relating to attaining federal air quality standards. It is during these difficult economic times that the technical assistance and federal funding opportunities available through COG can be most essential to fiscally strapped local governments.

Third, as mentioned earlier, COG is one of the few organizations to which the City contributes that has the potential of saving, within the same year, a substantive portion of its original contribution through COG's Cooperative Purchasing Program. The District has begun participating in this program and saved $250,000 on its initial purchase of police cars and unleaded gasoline. We hope for continued and increasing savings for the District in the future.

Finally, COG's FY 1994 Budget emphasizes fiscal restraint and responds to the difficult financial situation facing all COG's members. Staff and the COG Board produced a budget that: (1) responds to priority local needs and important new federal requirements related to transportation and air quality; and (2) expands those programs that save dollars for COG members.

Programmatic Themes

The major programmatic themes of the FY 1994 work program are summarized below:

- Continuation of work begun in FY 1993 mandated by federal transportation and air quality legislation.
- Analysis of Census data with reports on changes in commuting behavior, working women, and socio-economic characteristics of minority populations.
- Expansion of COG programs relating to the cultural diversity of our region including fair housing, affirmative action, multi-cultural awareness, inter-group conflict, and monitoring of hate crimes.
- Continued focus on noise abatement strategies at National and Dulles Airports.

- Completion of a federal solid waste plan that recommends short and long-term solid waste management strategies for properties owned by GSA and DOD.

- Expansion of COG's successful Cooperative Purchasing Program.

- Analysis of implications of a new set of cooperative forecasts for the next 5-25 years. These forecasts will identify where changes in residential and commercial development are expected to occur.

Transportation

Key Transportation Projects in FY 1993-1998 TIP for the District - COG's Transportation Planning Board, on which Council Member Nathanson chairs and Council Members Evans, Thomas, Betty Hager Frances and Al Dobbins have seats, must develop regional transportation plans for specific highway and transit projects that will meet all of the federal requirements and retain our members eligibility to receive their share of these funds. During the fical uear period of 1993, more than $719 million is available to the District for highway projects. (See Attachment for listing of these projects.)

Air Quality

During FY 1994, COG will also assist area local governments with the impacts of the Clean Air Act. These require that the region (defined as the entire metropolitan statistical area -- including the jurisdictions that are not COG members: Charles and Calvert counties in Maryland and Stafford County in Virginia) must take steps to clean the region's air. COG has already established a series of committees that include representatives from the local and state air quality offices, elected officials and others to develop a plan to meet the federal standards. The plan must be in place by the end of 1994. By 1996, the region must reduce ozone-causing pollution from 1990 levels by 15 percent. By 1999, the region must reduce pollution by at least 24 percent, and probably considerably more based upon previous air quality studies. If these requirements are not met, federal transportation funding will be curtailed.

The Metropolitan Washington Air Quality Committee (MWAQC) has been designated to oversee the development of the region's air quality plan. This Committee will determine a set of measures to meet the Clean Air Act requirements and make decisions and recommend a regional air quality plan to the Governors of Maryland and Virginia and the Mayor of the District of Columbia. The Committee is made up of the COG Board of Directors with representatives from Calvert, Charles and Stafford counties, the chair of the National Capital Transportation Planning Board, and

the District's and States' directors of transportation and air management programs.

The District's representatives on the COG Board automatically have a seat on the MWAQC. Each city and county is also represented at the technical level by its representative on COG's Regional Air Management Subcommittee, the COG Transportation Planning Board (whose transportation plans must be designed to help meet air quality standards), and COG's Environmental Policy Committee which will help evaluate air quality emission control policies.

Conclusion

We hope we have provided you with a strong rationale for why COG is unique among regional agencies seeking funding support from the District. We believe that the requested investment in COG is fiscally prudent and represents significant returns to District. The active involement of District officials in COG includes participation by DC Council Members as well as the technical staff. DC staff members currently chair the following COG technical committees: Aging, Anacostia, Child Care, Corrections, Housing and Management Information Services. A summary of services provided by COG to the District is attached to this statement. We appreciate your continued funding support of the Council of Governments.

Member Services--District of Columbia 1992

Metropolitan Washington Council of Governments

Transportation Services

• COG gave a presentation on the requirements contained in the new Intermodal Surface Transporation Efficiency Act (ISTEA) to the District's Council Committee on Regional Affairs. Through ISTEA provisions, the District is eligible for more than $719 million in the next five years for highway projects.

• COG staff met with representatives of the District's Department of Public Works (DPW) to discuss long-range strategic planning for the city.

• COG prepared a scope of work for a District-sponsored private employer outreach program for ridesharing.

• COG completed a study for the Federal Aviation Administration on the feasibility of tiltroter air service in the Washington region. Two of the potential locations for vertiport terminals were in the District: Union Station and the South Capitol Street area.

• COG developed traffic growth rates for the District consistent with regional travel forecasts. These will be used in expanding existing traffic counts to future traffic volumes, as required to meet reporting requirements of the Federal Highway Administration.

• COG staff began developing a project with the District's Department of Public Works to assist in preparing public works data for inclusion in a Geographic Information System (GIS).

• COG collected data on trip generation at movie theaters in the city for use in dealing with applications for zoning variances.

• COG staff will collect data on travel into the metropolitan core area as part of a regional travel monitoring program conducted every three years.

Leadership

• Mayor Sharon Pratt Kelly serves as a member of the COG Board. She also played an active role in two Anti-Violence Summits sponsored by COG in 1992.

• Council Member James E. Nathanson serves as chairman of the Transportation Planning Board and as a member of the Metropolitan Washington Air Quality Committee, the COG Board, and the steering committee of the Partnership for Regional Excellence.

• Council Member Jack Evans serves as vice chair of the COG Board of Directors and is a member of the Metropolitan Washington Air Quality Committee.

• Council Member Linda Cropp served as vice chair of the COG Board in 1992, and was a member of the Partnership for Regional Excellence.

• City Administrator Robert Mallett serves as Vice President of COG.

• Cynthia Brock-Smith serves on the COG Board and on the steering committee of the Partnership for Regional Excellence.

• Ferial Bishop chairs the Anacostia Watershed Restoration Committee.

• Donald Wambgans chairs COG's Regional Air Management Subcommittee.

• Sherri Alston is a member of the TPB, MWAQC and the steering committee of the Partnership for Regional Excellence.

• Fire Chief Rayfield Alfred chairs COG's Fire Chiefs Committee.

• Barbara Kamara chairs COG's Child Care Technical Advisory Committee.

• Leonard Benson chairs the Blue Plains Technical Committee.

The District saved more than $250,000 on police car purchases in 1992 by joining COG's Cooperative Purchasing Program

Human Services

Families

• COG has administered the District of Columbia Title X family planning grant since 1983. COG has worked closely with the Department of Human Services' officials to ensure that the family planning project is compatible with the District's public health programs, including the Healthy Start Initiative and the family planning access plan. COG provided approximately $330,000 in federal family planning funds to six District of Columbia public and community non-profit clinics, serving an estimated 12,000 clients in 1992.

• The District's Commission of Public Health received an estimated $230,000 in vaccine from the Center for Disease Control through a regional immunization effort coordinated by COG. An estimated 2,600 infants in the District were immunized as a result.

• At the District's Aging Summit, COG staff assisted with developing recommendations on reducing crime and abuse of elders.

• More than 3,000 District youngsters participated in COG's 1992 Summer Quest reading program, aimed at keeping young people reading during the summer months.

• COG staff hosted a meeting of vital records specialists from the region, including the District, to conduct an assessment of birth and death outcome data in the region. The goal of this meeting was to enhance transfer of data between jurisdictions.

Foster Care

• By actively participating in the regional foster parent recruitment campaign, the District receives the benefit of an estimated $250,000 annual recruitment campaign, including posters on bus lines, and promotional broadcasts on local radio stations. More than 300 potential District foster parents were identified this past year.

• Through COG, the District was linked with Freddie Mac, which is providing an estimated $200,000 in special technical services and support for its foster care and child welfare system. This included loaning computer systems staff to redesign and improve the District's ward tracking system.

Housing

• The COG Washington Area Housing Partnership program complemented and supported District of Columbia efforts to develop low-cost housing in the Columbia Heights and Shaw neighborhoods. The Partnership has targeted the Nehemiah project, in the 14th Street corridor for dozens of hours of special technical assistance and $20,000 in pro-bono legal support.

• COG staff provided 1990 Census housing statistics to the District's Department of Housing and Community Development.

Cooperative Purchasing

• Participating for the first time in 1992, the District of Columbia saved more than $250,000 by participating in COG's Cooperative Purchasing Program. The City purchased 142 police cars and is expected to buy at least 2.9 million gallons of regular unleaded and premium unleaded gasoline this year through the program.

Public Safety

• COG worked with Congress to secure $3 million in federal funding for local drug treatment services in our region. COG and area local governments, including the District, are now preparing a grant application to establish a program that would provide comprehensive drug treatment services.

• District of Columbia anti-violence initiatives, including youth initiatives, were featured prominently at two regional Summit meetings held in 1992. Dozens of the city's public officials and community leaders participated in the two Summits, which showcased D.C. and other area anti-violence strategies.

• COG provided staff and other technical support to the city's effort to address potential interference on public safety communications from the unrestricted broadcasting of television programming on Channel 14.

• COG worked closely with the District's Office of Emergency Preparedness in coordinating the region's response to snow and other emergencies. Through COG, the OEP was able to purchase and enhance its teleconferencing equipment for such emergencies.

Metropolitan Development And Information Resources Support

• COG's Partnership for Regional Excellence includes numerous District residents, including business, civic and elected officials. The Partnership conducted a public information forum for District residents in September, and identified maintaining a strong central city as a priority.

• The COG Board endorsed a resolution opposing construction of a football stadium in Alexandria and petitioned the Northern Virginia members of the General Assembly to support keeping the Washington Redskins in the District.

• COG urged area members of Congress to put Washington, D.C., as the first name of the Consolidated Metropolitan Statistical Area. The Office of Management and Budget followed this recommendation.

• COG provided computer services and technical support to the Office of Planning, Data Services Division, the Boards of Elections and Ethics, the Office of Personnel, the Office of Labor Relations and Collective Bargaining, and the D.C. Council.

• COG has worked with the Labor Market Information Division in the Department of Employment Services to insure accurate reporting of the District's and the region's employment statistics and in the preparation of long-term economic projections for use in the District's planning studies.

• COG staff provided computer printouts to Council staff members concerning an analysis of the Public School payroll.

• COG staff provided technical assistance to the Office of Planning staff, using SAS/ Census tapes.

• COG staff provided the Office of Policy with historical commercial construction data for inclusion in the 1992 *Indices*.

• COG staff provided computer services and technical support to the Metropolitan Police Department and the Office of Personnel in the scoring and analysis of the 1992 Metropolitan Police Department promotion exam.

• COG staff purchased hardware and software for the District of Columbia Environmental Regulation Administration to establish a GIS turnkey doing database development and application development.

• COG staff retrieved customized commercial development data for Patrick Hughes of Council Member Evans' office (by type, 1980-91 for D.C.).

• COG staff provided Equal Employment Opportunity Census data to the Office of Employment Services, Labor Market Information.

The COG Board supported the City's effort to keep the Redskins in the District.

Environmental Programs

Energy

• COG staff provided a briefing to the District's Energy Office on the Pollution Prevention Initiative, which is aimed at preventing pollution from vehicle repair and maintenance operations.

• COG staff provided travel information to DPW regarding vehicles entering the District of Columbia. Data also included energy consumption within the District for the year 1990.

Water Quality

• COG staff assisted city staff with information about the Coordinated Anacostia Regional Monitoring Program.

• COG staff provided the city with cost analysis information on stormwater management retrofits.

• COG staff provided assistance to the Mayor in coordinating a boat tour of the Anacostia with the Governor of Maryland and the District Engineer of the U.S. Army Corps of Engineers.

• COG staff has established a clearinghouse on urban runoff control information for the Office of Regulatory Affairs and is assisting the staff with their regulatory responsibilities in sediment control and water quality protection.

• COG provides staff support services to the District for Blue Plains under the Intermunicipal Agreement of 1985.

(more)

The Clean Air Act requires the District to develop a plan by November 1993 to clean up the air.

More Environmental Programs

• COG is assisting the District with several "showcase" demonstration projects to protect the Anacostia River.

• COG monitors water quality data and evaluates water quality conditions in the Potomac and Anacostia rivers.

Recycling

• COG staff surveyed and presented results concerning local government recycling contract practices in the metropolitan region to City staff.

• COG staff provided the City's Office of Recycling with information concerning other jurisdictions' recycling contracts.

• COG staff met with the District's Office of Recycling and Bell Atlantic to plan the recycling collection of telephone directories in the District of Columbia.

Solid Waste

• COG staff provided lobbying assistance to the District and other users of the I-95 Landfill at Lorton to insure long-term availability of the landfill for disposal of incinerator ash and to prevent limits on interstate transport of trash. These efforts were successful and the District's interests protected.

• COG is developing a demonstration study for the District and other users of the I-95 landfill on the beneficial and environmentally sound reuse of incinerator ash in construction applications.

Regulation

• COG staff prepared a monthly "Environmental Implications Bulletin" for use by the District Council Members and staff to keep abreast with emerging trends in environmental regulation at the federal level.

• COG staff assisted the Office of Regulatory Affairs with implementation of a state-of-the-art Geographical Information System (GIS) that will be used to improve its management of environmental regulation functions.

Air Quality

• COG is assisting DC DPW with a design and feasibility study of high-tech emission inspection systems for the District's vehicle inspection and maintenance program under the Clean Air Act.

• COG has provided briefings for D.C. elected officials and staff on the Clean Air Act for its implications for the District and its citizens.

• COG has provided briefings for DCRA and DPW staff on issues before the MWAQC. It compiled an inventory of emission sources used by the District to develop its state air quality plan and worked closely with the City Administrator and his staff in designing WMAQC's bylaws in a manner protective of and respectful of the District's interests.

Airport Noise

• COG assisted District staff in identifying the best sites for airplane noise monitors installed by the Metropolitan Washington Airports Authority to help insure noise pollution and disruption form aircraft operations at National Airport is kept to a minimum.

Urban Forestry

• COG staff helped coordinate tree plantings and other types of community involvement in the Anacostia Watershed. Participating in this effort were COG's minority student interns, part of a program sponsored by EPA.

Need More Information?

This is a brief look at COG programs for the District. Should you need more information, the COG staff is always willing and able to assist you.

COG's Executive Director, Ruth R. Crone, can be reached at (202) 962-3210. Her Executive Assistant, Leo Young, can be reached at (202) 962-3387.

COG's Information Center is open 1 to 5 p.m., weekdays, or by calling (202) 962-3256.

Admission to Statehood

Agency Overview

Mission

The mission of the Statehood Commission is to eaucate citizens, to advocate, promote, and advance statehood for the District of Columbia; and to determine the impact these activities have on the drive for statehood. The Statehood Compact Commission is to conduct a full and complete study of the necessary and appropriate legislative and administrative actions that must be taken to facilitate the transfer of authority and functions over the portion of the District of Columbia that will comprise the new state (New Columbia); to give consideration to the federal interest in the new state; to report to the Mayor, Council, congressional delegate, and statehood senators and representative. The tasks which will be completed include intragovernmental, intergovernmental, legal, administration, and fiscal/budget. The Compact Commission shall develop an outline of the transition from the Capital City to the state of New Columbia and a comprehensive strategic plan for this transition, and shall monitor, along with the Mayor, Council of the District of Columbia, congressional delegate, and statehood senators and representative, the implementation of the plan.

Agency Description

Since the enactment of the D.C. Statehood Constitution Initiative of 1979 (D.C. Law 3-171), the District has taken several steps toward admission to statehood. In November 1981, delegates were elected to the District of Columbia Statehood Constitutional Convention. The three-year term of the convention began on January 1, 1982. The convention exercised its authority under the legislation to appoint a Statehood Commission and a Statehood Compact Commission to assist in carrying out the requirements of the Statehood Initiative legislation.

In November 1982, the Statehood Commission published and mailed to every District voter a copy of the draft constitution; the majority of the voters approved the constitution.

When the three-year term of the District of Columbia Constitutional Convention expired on January 31, 1985, the D.C. Statehood Commission and the Statehood Compact Commission became an independent agency. The commissions have drafted and adopted their bylaws. The commissions have not received funding since fiscal year 1990 when Congress stripped away their funding.

The Statehood Commission shall consist of 24 members, 3 from each ward. The Mayor, Chairman of the Council, Chairman of the Council's Committee on Self-Determination, congressional delegate, statehood senators, and statehood representative (or their designees) shall serve as ex-officio members of the Statehood Commission. The members shall serve for three years. The chairperson shall have the authority to declare a vacancy if a member changes ward of residence, dies, resigns, or is absent from three consecutive meetings without an excuse. Vacancies must be filled from candidates recommended by the Mayor, councilmembers, congressional delegate, and the statehood senators and representative.

The Compact Commission shall consist of 16 members, eight elected by the Statehood Commission, with one Statehood Commission member from each ward, and an equal number of members

Admission to Statehood

representing the federal government as authorized by the President or Congress. The Mayor, Chairman of the council, Chairman of the Council's Committee on Self-Determination, congressional delegate, statehood senators, and statehood representative (or their designees) shall serve as ex-officio members of the Statehood Compact Commission. The members shall serve for three years. Vacancies may be declared by the chairperson and must be filled from candidates recommended by the Mayor, councilmembers, congressional delegate, and the statehood senators and representative.

Agency Budget Summary
FY 1994: The appropriated request for FY 1994 is $200,000 and no full-time equivalent (FTE) positions. This represents an increase of $100,000 over the revised FY 1993 request.
FY 1993 Revised: The revised FY 1993 appropriated request is $100,000 and no FTE positions.

Budget Strategy and Impacts
Strategy: These funds will be utilized to educate District residents regarding the benefits of Statehood through seminars, forums, public service announcements, and other forms of media.

Table I **Agency Staffing and Funding Detail**

Programs	Staffing (FTE Positions)				Funding			
	FY92 Actual	FY93 Budget	FY93 Revised	FY94 Proposed	FY92 Actual	FY93 Budget	FY93 Revised	FY94 Proposed
Statehood	0.0	0.0	0.0	0.0	0	0	100,000	200,000
Total Agency	0.0	0.0	0.0	0.0	0	0	100,000	200,000
Appropriated Funds	0.0	0.0	0.0	0.0	0	0	100,000	200,000
Federal Funds	0.0	0.0	0.0	0.0	0	0	0	0
Intra-District Funds	0.0	0.0	0.0	0.0	0	0	0	0
Other Funds	0.0	0.0	0.0	0.0	0	0	0	0

Admission to Statehood

Table II **Agency Appropriated Summary by Expenditure Type**

Expenditure Type	Staffing (FTE)				Funding			
	FY 92 Actual	FY 93 Budget	FY 93 Revised	FY 94 Proposed	FY 92 Actual	FY 93 Budget	FY 93 Revised	FY 94 Proposed
Personal Services								
Regular Pay	0.0	0.0	0.0	0.0	0	0	0	0
Other Pay	0.0	0.0	0.0	0.0	0	0	0	0
Additional Gross Pay	0.0	0.0	0.0	0.0	0	0	0	0
Fringe Benefits	0.0	0.0	0.0	0.0	0	0	0	0
Total Personal Services	0.0	0.0	0.0	0.0	0	0	0	0
NonPersonal Services								
Supplies					0	0	0	0
Energy					0	0	0	0
Communications					0	0	0	0
Building Rent					0	0	0	0
Other Services & Charges					0	0	100,000	200,000
Subsidies & Transfers					0	0	0	0
Equipment					0	0	0	0
Total NonPersonal Services					0	0	100,000	200,000
TOTAL AGENCY	0.0	0.0	0.0	0.0	0	0	100,000	200,000

Office of Grants Management and Development

Agency Overview

Mission

The mission of the Office of Grants Management and Development is to maximize available resources for the policies and program priorities of the District government by assisting operating agencies in obtaining the maximum amount of federal, foundation, and corporate support.

Agency Description

Created on October 9, 1992 by Mayor's Order 92-116, the Office will carry out its mission by providing agencies with timely information on funding opportunities, providing training and technical assistance in accessing those opportunities, and providing leadership in addressing problems of grant implementation and control. To assist it in carrying out its mission, the agency assumed the functions and resources of the former Office of Criminal Justice Plans and Analysis and realigned the activities as follows:

- The creation of a unit to monitor federal and private funding programs, providing leadership in obtaining funds and in identifying and obtaining changes in those funding programs that support the program priorities of the District government;

- The creation of a unit to provide technical assistance and training in grants application and administration, to establish and maintain a grants tracking system in connection with the single point of contact review functions under Executive Order 12372, and to prepare and submit applications when needed;

- The creation of a unit to identify and resolve problems and issues related to grants implementation and control and recover the maximum of allowable indirect costs available to the District government from grants received.

Agency Budget Summary

FY 1994: The *total* budget for FY 1994 from all sources is $3,060,000 and 12 full-time equivalent (FTE) positions, a reduction of $254,000 from the revised total FY 1993 budget. The *appropriated* request for FY 1994 is $491,000 and no FTEs, a reduction of $246,000 from the revised FY 1993 budget and $287,000 from the approved FY 1993 budget.
The nonappropriated request for FY 1994 is $2,569,000 and 12 FTEs, a decrease of $226,000 from the FY 1993 budget.
FY 1993 Revised: The revised FY 1993 *appropriated* request is $737,000 and 4 FTEs, a reduction of $41,000 and an increase of 4 FTEs over the approved FY 1993 budget.
The revised nonappropriated request for FY 1993 is $2,577,000 and 9 FTEs, a reduction of $218,000 and an increase of 2 FTEs over the FY 1993 budget.

The approved FY 1993 budget abolished all positions funded by appropriation funds in the former Office of Criminal Justice Plans and Analysis and provided $503,000 for severance pay and related costs and $275,000 for the Law School Clinical Program. To assist the new Office of Grants

Office of Grants Management and Development

Management and Development begin the process of recruiting additional nonappropriated revenue, the agency requests a one-time reprogramming from the funds for severance pay and related expenses of $162,000 to pay for 4 FTE positions and $38,000 to pay for nonpersonal services. In addition, the agency requests reprogramming of $216,000 from the funds approved for severance pay and related expenses for building rent, which will be a recurring item in FY 1994, and a reduction of $41,000 to assist the District meet its revenue shortfall. The remaining $46,000 would be used for severance and other terminal leave expenses. The request for the Law School Clinical Assistance Program of $275,000 is unchanged from the approved FY 1993 budget.

Budget Strategy and Impacts

Strategy: During these times of revenue shortfall, the District needs to organize and increase its ability to obtain and utilize nonappropriated revenue. There are over 1,200 federal funding programs and thousands of private funding resources. The District government should monitor these potential revenue sources and implement a program of information, training, interagency proposal development, and technical assistance that will assure maximum access and use of these revenues. The new Office of Grants Management and Development seeks to provide this capability.

While the FY 1994 budget reflects a reduction of $287,000 in appropriation funds and all FTE positions funded from appropriation funds, the agency estimates that it should be in a position to generate sufficient nonappropriated funds to support its operations, with the exception of the Law School Clinical Program and the contractual obligation of the District government for the space the agency currently occupies.

Impacts: The reprogramming requested in the revised FY 1993 budget will provide start-up assistance for the new agency and local match for grants applied for and received directly by the agency. Because the amount requested for the Law School Clinical Program is the same as the FY 1993 approved budget, there will be no decrease in the services provided to indigent legal clients.

In FY 1994, services to indigent legal clients will be maintained at current levels, and the grant-seeking and facilitating services of the agency will continue and improve as the agency gains and shares resources and expertise.

Office of Grants Management and Development

Table I **Agency Staffing and Funding Detail**

Programs	Staffing (FTE Positions)				Funding ($1,000)			
	FY92 Actual	FY93 Budget	FY93 Revised	FY94 Proposed	FY92 Actual	FY93 Budget	FY93 Revised	FY94 Proposed
Office of Grants Management and Development	15.6	7.0	13.0	12.0	4,650,095	3,573,000	3,314,000	3,060,000
Total Agency	15.6	7.0	13.0	12.0	4,650,095	3,573,000	3,314,000	3,060,000
Appropriated Funds	10.6	0.0	4.0	0.0	1,054,874	778,000	737,000	491,000
Federal Funds	2.5	3.0	8.0	9.0	3,129,778	2,305,000	2,305,000	2,293,000
Intra-District Funds	2.4	4.0	1.0	3.0	454,770	490,000	272,000	276,000
Other Funds	0.0	0.0	0.0	0.0	10,673	0	0	0

Table II **Agency Outputs**

Measures	FY 1991	FY 1992	FY 1993	FY 1994
Notices Referred	0	0	100	150
Training Seminars	0	0	3	6
Application Developed	0	0	15	25
Application Reviewed	0	0	475	475
Issues Addressed	0	0	6	10
Subgrants Awarded	15	15	30	30

Office of Grants Management and Development

Table III **Agency Appropriated Summary by Expenditure Type**

Expenditure Type	Staffing (FTE)				Funding			
	FY 92 Actual	FY 93 Budget	FY 93 Revised	FY 94 Proposed	FY 92 Actual	FY 93 Budget	FY 93 Revised	FY 94 Proposed
Personal Services								
Regular Pay	10.2	0.0	0.0	0.0	467,875	0	0	0
Other Pay	0.5	0.0	4.0	0.0	23,883	0	142,000	0
Additional Gross Pay	0.0	0.0	0.0	0.0	15,342	503,000	46,000	0
Fringe Benefits	0.0	0.0	0.0	0.0	81,906	0	20,000	0
Total Personal Services	10.7	0.0	4.0	0.0	589,006	503,000	208,000	0
NonPersonal Services								
Supplies					4,457	0	6,000	0
Energy					0	0	0	0
Communications					12,982	0	0	0
Building Rent					208,597	0	216,000	216,000
Other Services & Charges					14,839	0	32,000	0
Subsidies & Transfers					224,994	275,000	275,000	275,000
Equipment					0	0	0	0
Total NonPersonal Services					465,869	275,000	529,000	491,000
TOTAL AGENCY	10.7	0.0	4.0	0.0	1,054,875	778,000	737,000	491,000

STATEMENT BEFORE THE HOUSE OF REPRESENTATIVES
COMMITTEE ON APPROPRIATIONS
SUBCOMMITTEE ON THE DISTRICT OF COLUMBIA

BY DAVID L. TEMPLE, DIRECTOR
D.C. OFFICE OF GRANTS MANAGEMENT AND DEVELOPMENT

MR. CHAIRMAN AND MEMBERS OF THE SUBCOMMITTEE, I AM DAVID L. TEMPLE, JR., DIRECTOR OF THE OFFICE OF GRANTS MANAGEMENT AND DEVELOPMENT (OGMD). I APPRECIATE THE OPPORTUNITY TO SHARE WITH YOU THE PROGRESS AND PLANS OF THIS NEW OFFICE -- A PRODUCT OF A KEY RECOMMENDATION OF THE 1990 REPORT OF THE RIVLIN COMMISSION -- WHICH IS A CRITICAL NEW TOOL FOR IMPROVING THE DISTRICT'S ABILITY TO MANAGE ITS RESOURCES. I AM DELIGHTED TO BE ABLE TO EXPLAIN TO YOU WHAT OGMD IS AND WHAT WE HOPE TO ACCOMPLISH.

FIRST, LET ME TELL YOU WHAT THE CURRENT SITUATION IS AND WHY MAYOR KELLY CREATED THIS OFFICE.

THE DISTRICT CURRENTLY APPLIES FOR AND RECEIVES NEARLY $700 MILLION IN FEDERAL ASSISTANCE. THIS SIZEABLE AMOUNT OF RESOURCES IS A VERY ESSENTIAL ELEMENT OF THE DISTRICT'S FINANCES. BECAUSE OF THIS, IT IS THE DISTRICT'S SERIOUS RESPONSIBILITY TO MANAGE THESE ENORMOUS RESOURCES IN THE MOST EFFECTIVE, EFFICIENT WAY POSSIBLE. AS THE RIVLIN COMMISSION AND OTHERS HAVE NOTED -- AND AS THE KELLY ADMINISTRATION REALIZES -- DISTRICT GOVERNMENT HAS HISTORICALLY NEVER SUFFICIENTLY ORGANIZED AND COORDINATED ITS EFFORTS TO FULLY LIVE UP TO ITS RESOURCE MANAGEMENT RESPONSIBILITY.

UP TO THIS POINT, THE DISTRICT'S EFFORTS TO APPLY FOR, ADMINISTER AND IMPLEMENT FEDERAL AND OTHER GRANTS HAVE BEEN LARGELY DECENTRALIZED AND UNCOORDINATED. INDIVIDUAL AGENCIES HAVE FOR THE MOST PART ACTED ALONE IN SEEKING OUT FEDERAL GRANT OPPORTUNITIES, APPLYING FOR FUNDS TO THE BEST OF THEIR ABILITIES AND, IF SUCCESSFUL, IN IMPLEMENTING THEIR PROGRAMS DESPITE SOME SERIOUS SYSTEMIC BARRIERS.

THERE HAVE BEEN NOTABLE EXCEPTIONS. SOME AGENCIES HAVE BEEN DESIGNATED AS THE DISTRICT'S SOLE APPLICANT FOR CERTAIN "STATE" GRANTS, SUCH AS BLOCK GRANTS AND ENTITLEMENT PROGRAMS. IN THAT SENSE, THE DISTRICT HAS FULFILLED ITS BASIC GRANTS RESPONSIBILITIES. BUT THIS RATIONAL, COORDINATED SYSTEM HAS SELDOM BEEN APPLIED BY THE DISTRICT TO THE MAJORITY OF AVAILABLE FEDERAL PROGRAMS. TOO OFTEN, THE RESPONSIBILITIES FOR LEARNING OF, APPLYING FOR AND FULLY COMPLYING WITH THE TERMS OF FEDERAL GRANTS HAVE BEEN LEFT TO THE COLLECTION OF INDIVIDUAL DISTRICT AGENCIES WITH THEIR VARIED CAPACITIES AND INTERESTS.

THIS POORLY COORDINATED APPROACH TO FEDERAL GRANT OPPORTUNITIES HAS CREATED AT LEAST THREE RESULTS THAT HAVE CONCERNED THE MAYOR AND PROMPTED HER TO ACTION.

FIRST, THE DISTRICT'S CAPACITY FOR OBTAINING GRANT FUNDS HAS BEEN UNEVEN. FEW AGENCIES ARE CABABLE OF MONITORING ALL FEDERAL FUNDING PROGRAMS RELEVANT TO THEIR OPERATIONS -- PARTICULARLY PROGRAMS NOT ADMINISTERED BY FEDERAL AGENCIES TO WHICH THEY NORMALLY RELATE. AND FEW AGENCIES HAVE GRANTS STAFFS THAT ARE SUFFICIENTLY LARGE OR EXPERIENCED TO RESPOND TO ALL RELEVANT FUNDING OPPORTUNITIES THAT BECOME AVAILABLE. TOO OFTEN FEDERAL REQUESTS FOR PROPOSALS, WHEN NOTED, ARE TACKLED BY WHOMEVER IN AN AGENCY HAPPENS TO BE AVAILABLE WHEN THE REQUEST IS PUBLISHED -- NOT NECESSARILY BY AN EXPERIENCED GRANTS WRITER. THE FREQUENT RESULT HAS BEEN THAT THE DISTRICT'S APPLICATIONS HAVE NOT SCORED WELL IN DEMANDING NATIONAL COMPETITIONS. IN SOME OF THOSE INSTANCES, NOT ONLY HAVE WE NOT RECEIVED THE AWARD, BUT WE HAVE CREATED AND REINFORCED A REPUTATION FOR INADEQUATE SKILLS AND STANDARDS.

SECOND, A CLEAR NEED EXISTS FOR CALCULATED IMPROVEMENT IN DISTRICT GOVERNMENT'S APPROACH TO FEDERAL GRANTS PROGRAMS IN THE CRUCIAL AREA OF IMPLEMENTATION. A GRANT AWARD IS, IN EFFECT, A CONTRACT BETWEEN THE GRANTOR AND GRANTEE. THE DISTRICT, AS GRANTEE, PROMISES TO PRODUCE SERVICES OR ACTIVITIES FOR WHICH THE GRANTOR PROMISES TO FUND ALL OR PART OF THE COSTS. THERE ARE DELIVERABLES AND THERE ARE TIMETABLES. TOO OFTEN, HOWEVER, SYSTEMIC BARRIERS IN PROCUREMENT, TIMELY COMPLETION OF PERSONNEL ACTIONS, SPACE RENTAL, AND OTHER IMPLEMENTATION REQUISITES HAVE PREVENTED INDIVIDUAL AGENCIES FROM FULFILLING THEIR CONTRACTUAL OBLIGATIONS. THIS HAS RESULTED IN DISTRICT REQUESTS TO FEDERAL GRANTORS FOR EXTENSIONS OF TIME AND REPROGRAMMING OF FUNDS. IN SOME CASES, EVEN THESE EXTENSIONS AND REPROGRAMMINGS, WHEN GRANTED, HAVE NOT ENABLED THE GRANTEES TO FULFILL THEIR AWARD OBLIGATIONS. THE RESULTING REAL AND PERCEIVED DAMAGE TO THE DISTRICT'S IMAGE AS A PROSPECTIVE GRANTEE, WORTHY OF FUTURE INVESTMENTS OF FEDERAL FUNDS, HAS BEEN SIGNIFICANT.

FINALLY, A THIRD CONSEQUENCE OF POORLY COORDINATED GRANTS RESPONSIBILITIES IS THAT THE DISTRICT AS A CORPORATE ENTITY CURRENTLY HAS NO PROCESS FOR TRACKING AND MANAGING THIS AREA OF ACTUAL AND POTENTIAL REVENUES. THERE IS NO CENTRAL TRACKING SYSTEM, ONE THAT CAN INFORM DISTRICT OFFICIALS OF: POTENTIAL REVENUE SOURCES; WHICH AGENCY IS APPLYING FOR WHAT GRANTS; WHEN AND IF FUNDS HAVE BEEN AWARDED AND FOR WHAT PURPOSES; THE RATES OF EXPENDITURE; PROBLEMS INCURRED IN IMPLEMENTATION; AND TIMELY DRAW-DOWNS OR REIMBURSEMENTS OF OUTLAYS. WITH NO TRACKING SYSTEM, THERE CAN BE NO MONITORING OF GRANT RESOURCES AND OPERATIONS, NO MEANS OF ASSIGNING PRIORITIES OR INFLUENCING POLICY AND PROGRAM CONTENT, NO MEANS OF ASSISTING HARD-PRESSED AGENCIES IN ACQUIRING THE KNOWLEDGE AND SKILLS NECESSARY TO COMPETE FOR GRANT DOLLARS, AND NO VIABLE CAPABILITY OF DEVELOPING STRATEGIES FOR ANTICIPATING AND PREPARING FOR THE IMPACT OF CHANGES IN FEDERAL FUNDING POLICIES.

THIS IS A HARSH ANALYSIS, BUT THE KELLY ADMINISTRATION HAS MADE AND STANDS BY IT. WE HAVE FOLLOWED UP WITH A PLAN THAT IS NOW BEING PUT INTO PRACTICE TO COMBAT THESE PROBLEMS. THERE ARE RAYS OF SUN

ON THE HORIZON. ALONG WITH CONTINUING REASONS FOR GREAT CONCERN, THERE IS UPLIFT AND HOPE.

THE DISTRICT IS AT A CROSSROADS DURING A NEW AND HOPEFUL PRESIDENTIAL ADMINISTRATION. THROUGH GOOD PLANING AND HARD, FOCUSED WORK WE ARE IN A POSITION TO CREATE VISIBLE IMPROVEMENTS IN FEDERAL-DISTRICT RELATIONS.

THUS FAR PRESIDENT CLINTON HAS SHOWN A STRONG INTEREST IN MOVING EASILY IN AND AROUND OUR COMMUNITY. WE HOPE THIS SIGNALS AN ONGOING WILLINGNESS TO JOIN US IN PARTNERSHIP AND ENGAGE THE DISTRICT AS A "WORKING LABORATORY" FOR THE NATION. WHENEVER IT BECOMES EVIDENT THAT FEDERAL AND DISTRICT PRIORITIES MESH, WE HOPE TO BE ABLE TO ACT AS A "DEMONSTRATION SITE" FOR PUBLIC INITIATIVES IN KEY AREAS OF NATIONAL AND LOCAL NEED -- JOB TRAINING, PUBLIC HEALTH AND SAFETY, AFFORDABLE HOUSING, DRUG TREATMENT AND OTHERS. MAYOR KELLY IS MOVING ASSERTIVELY TO TAKE ADVANTAGE OF THIS NEW POTENTIAL FOR ACTIVE, MUTUALLY BENEFICIAL PARTNERSHIPS.

IN THIS SPIRIT, THE MAYOR CREATED THE OFFICE OF GRANTS MANAGEMENT AND DEVELOPMENT IN OCTOBER OF 1992 TO DELIVER ON HER COMMITMENT TO MAKING DISTRICT GOVERNMENT MORE EFFICIENT, BETTER COORDINATED AND MORE ACCOUNTABLE IN ITS GRANTS OPERATIONS.

THE OGMD'S DRIVING OBJECTIVE IS TO MAKE CERTAIN THAT PUBLIC FUNDS ARE EFFECTIVELY TARGETED TOWARD REAL PROBLEMS, EFFICIENTLY ADMINISTERED AND WELL SPENT. WE WANT DISTRICT GOVERNMENT TO BEGIN TO EARN THE CLEAR CONFIDENCE OF OUR TAXPAYERS ABOUT THAT. HOW DO WE GET THERE?

WE GET THERE THROUGH CAPACITY-BUILDING; THAT IS, THROUGH DEVELOPING GREATER STAFF COMPETENCE AND MORE EFFECTIVE ORGANIZATIONAL SYSTEMS AT BOTH THE INDIVIDUAL AGENCY AND CENTRAL FINANCIAL MANAGEMENT LEVELS. THIS OFFICE HAS A RELATIVELY SMALL STAFF OF TWELVE, INCLUDING CLERICAL AND ADMINISTRATIVE STAFF AND PROGRAM MANAGERS FOR THOSE FEW GRANTS THAT THE OGMD WILL RECEIVE AND ADMINISTER DIRECTLY. THIS IS NOT A PRODUCTION SHOP THAT PREPARES AND SUBMITS LARGE NUMBERS OF GRANT APPLICATIONS. THAT WOULD REQUIRE A STAFF OF 30 OR 40 AND BUDGETARY RESOURCES FAR BEYOND WHAT THE OFFICE HAS OR ANTICIPATES. THE VAST MAJORITY OF GRANTS PRODUCTION AND ADMINISTRATIVE RESPONSIBILITY WILL REMAIN, AS IT SHOULD, WITH INDIVIDUAL AGENCIES. AS APPROPRIATE, OGMD STAFF WILL TAKE A REVIEW OR EDITORIAL ROLE IN GRANTS PRODUCTION, AND IN SOME CASES WILL ASSIST IN HIRING SPECIALIZED GRANTS WRITERS ON A CONTRACT BASIS.

THIS IS CONSISTENT WITH THE CENTRAL ROLE OF OGMD STAFF -- TO ENSURE THAT INDIVIDUAL AGENCIES HAVE THE INFORMATION, SKILLS AND TECHNICAL ASSISTANCE TO CARRY OUT THEIR FEDERAL GRANTS RESPONSIBILITIES, AND THAT CENTRAL FINANCIAL MANAGERS HAVE THE KNOWLEDGE AND SYSTEMS TO ADMINISTER GRANT RESOURCES IN A WAY THAT CONTRIBUTES TO THE STABILITY AND SOLVENCY OF DISTRICT GOVERNMENT.

NOW I WOULD LIKE TO SUMMARIZE THE STATUS OF OUR EFFORTS SINCE OCTOBER TO GET THIS OFFICE UP AND RUNNING. FIRST, WE HAVE CLOSED THE OFFICE OF CRIMINAL JUSTICE PLANS AND ANALYSIS (OCJPA), AND HAVE ARRANGED FOR TRANSFERS TO OTHER AGENCIES OF THOSE FUNCTIONS NOT GERMANE TO THE MISSION OF NEW OFFICE. SECOND, WE HAVE IDENTIFIED AND SECURED START-UP FUNDING FROM VARIOUS SOURCES, INCLUDING GRANT FUNDS WHICH WERE AVAILABLE TO THE FORMER OCJPA (E.G. ADULT AND JUVENILE JUSTICE BLOCK GRANTS, ETC.), ONE-TIME REPROGRAMMED FY 1993 APPROPRIATED FUNDS FOR THE CLOSE-DOWN OF OCJPA AND GRANT ASSISTANCE FROM OTHER AGENCIES. THIRD, WE HAVE DEVELOPED A MULTI-YEAR WORKPLAN. FOURTH, WE HAVE FILLED ALL OUR OPEN STAFF POSITIONS WITH EXPERIENCED PROFESSIONALS. FINALLY WE HAVE BEGUN TO IMPLEMENT OUR WORKPLAN TO BUILD CAPACITY AT THE AGENCY AND CENTRAL LEVELS.

WE HAVE SET FIVE OBJECTIVES FOR THIS OFFICE FOR FY 1993 AND FY 1994. SPECIFICALLY, WE ARE WORKING TO ESTABLISH:

1. AN ACCURATE KNOWLEDGE BASE OF DISTRICT GOVERNMENT'S GRANTS CAPACITY AND OPERATIONS;
2. A COMPLETE INFORMATION BASE OF FEDERAL AND OTHER FUNDING PROGRAMS;
3. TECHNICAL ASSISTANCE AND TRAINING SERVICES FOR AGENCY PERSONNEL;
4. A CAPABILITY FOR IDENTIFYING AND RESOLVING GRANTS IMPLEMENTATION AND CONTROL ISSUES.
5. AN ABILITY TO TRACK, MONITOR AND AFFECT -- AS APPROPRIATE -- FEDERAL LEGISLATIVE PROPOSALS, CHANGES AND OPPORTUNITIES THAT HAVE A POTENTIAL IMPACT ON THE DISTRICT'S GRANTS-FUNDED OPERATIONS.

REGARDING OBJECTIVE ONE, ESTABLISHING A COMPLETE KNOWLEDGE BASE OF THE DISTRICT GRANTS CAPACITY AND OPERATIONS, WE HAVE DESIGNED A TRACKING SYSTEM AND HAVE COLLECTED THE MAJORITY OF OUR INITIAL DATA. WORKING WITH THE D.C. COMPTROLLER'S OFFICE WE HAVE IDENTIFIED THE GRANTS CURRENTLY IN THE FINANCIAL MANAGEMENT SYSTEM (FMS) AND HAVE SENT SURVEYS TO 26 AGENCIES REQUESTING THAT THEY PROVIDE PROFILE DATA ON THOSE GRANTS, SUCH AS TYPE OF GRANT, TIME PERIODS, PURPOSES, ACTIVITIES SUPPORTED, ETC. AS OF MAY 25, WE HAVE RECEIVED 20 COMPLETE RESPONSES AND ARE PRESSING AGENCIES HARD FOR THE FINAL SIX. WHEN WE RECEIVE ALL THIS DATA, WE WILL INPUT IT INTO A COMPUTER PROGRAM THAT WILL BECOME THE NUCLEUS OF A COMPREHENSIVE TRACKING SYSTEM.

IN ADDITION, WE HAVE BEGUN ON-SITE INTERVIEWS WITH AGENCY GRANTS STAFF TO IDENTIFY TRAINING NEEDS AND ANY TECHNICAL ASSISTANCE THAT THEY ANTICIPATE NEEDING TO MEET FUTURE GRANTS FUNDING CYCLES AND OPPORTUNITIES. WE WILL HAVE INTERVIEWED ALL APPROPRIATE AGENCIES BY JUNE 25.

OBJECTIVE TWO: FOR ESTABLISHING A COMPLETE INFORMATION BASE OF FUNDING SOURCES, WE HAVE ASSEMBLED EXTENSIVE INFORMATION IN TWO AREAS, FEDERAL PROGRAMS AND PRIVATE FOUNDATIONS. FEDERALLY FUNDED PROGRAMS ARE BY FAR THE LARGEST AND MOST FINANCIALLY SIGNIFICANT

BLOCK OF FUNDING SOURCES. FOR THOSE PROGRAMS, WE HAVE ACQUIRED WRITTEN MATERIAL ON ALL 1200 FEDERAL FUNDING PROGRAMS AND AN UPDATE SERVICE THAT WILL MAINTAIN OUR INFORMATION ON A CURRENT BASIS. IN ADDITION WE HAVE ACQUIRED A COMPUTERIZED, ON-LINE SERVICE FOR THE DAILY GRANTS ANNOUNCEMENTS IN THE FEDERAL REGISTER AND AN AUTOMATED SEARCH CAPABILITY BY FUNDING CATEGORY FOUND IN THE FEDERAL CATALOGUE OF DOMESTIC ASSISTANCE. THIS ABILITY WILL ALLOW US TO FOCUS ON THE DISTRICT GOVERNMENT'S FUNDING AND PROGRAM PRIORITIES. IN THIS EFFORT WE WILL COLLABORATE WITH THE GRANTS AND PROJECTS OPERATION OF THE OFFICE OF THE D.C. DELEGATE IN CONGRESS, AND EXTEND OUR SERVICES WHERE APPROPRIATE TO COMMUNITY-BASED GROUPS.

AT OUR REQUEST, EACH DISTRICT AGENCY HAS DESIGNATED A GRANTS LIAISON PERSON TO BE A MEMBER OF A NEW GRANTS MANAGEMENT COUNCIL. WE CONVENED THE FIRST OF REGULAR QUARTERLY MEETINGS OF THE COUNCIL IN FEBRUARY. THE NEXT MEETING IS PLANNED FOR JUNE. WE NOW HAVE THE CAPACITY TO MONITOR THE FEDERAL REGISTER THROUGH OUR ON-LINE SERVICE AND FAX INFORMATION WITHIN 24 HOURS OF PUBLICATION TO THE RELEVANT AGENCY GRANTS MANAGERS TO ENSURE THEIR TIMELY KNOWLEDGE OF FUNDING OPPORTUNITIES.

I WOULD LIKE TO ADD THAT WE HAVE ALSO BEGUN TO COLLECT, ANALYZE AND SHARE WITH DISTRICT AGENCIES INFORMATION ON CHANGES THAT THE CLINTON ADMINISTRATION HAS PROPOSED FOR VARIOUS FUNDING PROGRAMS. IN THE COMING MONTHS, WE WILL CONTINUE TO MONITOR THOSE PROPOSED DEVELOPMENTS IN COLLABORATION WITH AGENCY GRANTS PERSONNEL AND DEVELOP STRATEGIES TO TAKE ADVANTAGE OF OPPORTUNITIES FOR ADDITIONAL ASSISTANCE OR TO LIMIT POTENTIAL ADVERSE IMPACTS.

REGARDING FUNDING OPPORTUNITIES WITH PRIVATE FOUNDATIONS, WE HAVE CONTRACTED WITH A PERSON WHO HAS EXTENSIVE EXPERIENCE WITH FOUNDATIONS TO SURVEY OTHER CITIES AND STATES ON COOPERATIVE STRUCTURES AND RELATIONSHIPS BETWEEN FOUNDATIONS AND GOVERNMENT. THIS CONSULTANT IS ALSO DETERMINING THE CAPACITY OF LOCAL FOUNDATIONS TO JOIN D.C. GOVERNMENT'S EFFORTS TO RESPOND TO PRESSING SOCIAL ISSUES IN THE THE COMMUNITY. HER FINDINGS AND RECOMMENDATIONS ARE NOW AVAILABLE IN A REPORT WHICH WE WILL SOON DISTRIBUTE TO APPROPRIATE PARTIES. BASED ON THIS DATA, WE ARE DESIGNING A STRATEGY FOR THE MAYOR TO APPROACH PRIVATE FOUNDATIONS WITH PARTNERSHIP PROPOSALS.

OBJECTIVE THREE: ESTABLISHING TECHNICAL ASSISTANCE AND TRAINING SERVICES FOR AGENCY PERSONNEL. IN ADDITION TO THE SURVEY OF AGENCY TECHNICAL ASSISTANCE NEEDS DESCRIBED ABOVE, WE HAVE BEGUN A TARGETED SERVICE OF GRANTS DEVELOPMENT ASSISTANCE. EARLY IN 1993, WE LEARNED OF A SIGNIFICANT FUNDING OPPORTUNITY FOR RESIDENTIAL ASSISTANCE FOR THE DISABLED HOMELESS. THIS REQUIRES A MULTI-AGENCY APPLICATION AND PROGRAM DEVELOPMENT EFFORT -- THE VERY TYPE OF ASSISTANCE WHICH IS CENTRAL TO THE MISSION OF THIS OFFICE. CONSEQUENTLY, WE HAVE CONVENED AN INTERAGENCY TASK GROUP, DETERMINED LEAD RESPONSIBILITIES AND HAVE BEEN PROVIDING SUPPORT AND ASSISTANCE THROUGHOUT THE APPLICATION PROCESS.

WE HAVE HIRED A GRANTS DEVELOPER/TRAINER, WHOSE RESPONSIBILITY IS TWO-FOLD. FIRST, SHE WILL ORGANIZE AND OVERSEE THE DEVELOPMENT OF

THOSE FEW GRANTS FOR WHICH OGMD WILL BE THE APPLICANT. TO ASSIST THIS PERSON, WE HAVE ADVERTISED AND RECEIVED A NUMBER OF RESUMES FROM TECHNICAL WRITERS WHO WOULD BE AVAILABLE ON A CONTRACT BASIS TO SUPPORT THE APPLICATION PROCESS, EITHER AS EXPERT WRITERS OR REVIEWERS.

THE GRANTS DEVELOPER WILL ALSO IMPLEMENT THE TECHNICAL SUPPORT ACTIVITIES DESCRIBED ABOVE -- ORGANIZING AND LEADING IN INTERAGENCY APPLICATIONS, PROVIDING ADVICE AND CONTRACTUAL SUPPORT FOR PRIORITY APPLICATIONS AND CONDUCTING PERIODIC TRAINING SESSIONS FOR AGENCY PERSONNEL IN PROGRAM DEVELOPMENT AND APPLICATION PREPARATION.

OBJECTIVE FOUR: ESTABLISHING A CAPABILITY FOR RESOLVING IMPLEMENTATION ISSUES. WE HAVE RECRUITED A FINANCIAL ANALYST WHO HAS EXPERIENCE WITH FMS, BUDGETARY AND PROCUREMENT AND PERSONNEL OPERATIONS. THIS INDIVIDUAL WILL WORK WITH AGENCY PERSONNEL, THE COMPTROLLER'S OFFICE, THE DEPARTMENT OF ADMINISTRATIVE SERVICES, THE OFFICE OF INSPECTOR GENERAL AND OTHER AGENCIES IN IDENTIFYING MAJOR GRANTS IMPLEMENTATION AND CONTROL ISSUES AND ESTABLISHING COOPERATIVE STRUCTURES AND ACTION PLANS TO RESOLVE THEM. IN ADDITION, THE FINANCIAL ANALYST WILL WORK WITH THE COMPTROLLER'S OFFICE TO IMPLEMENT A PLAN TO RECOVER THE MAXIMUM ALLOWABLE AMOUNT OF INDIRECT COSTS REIMBURSEMENT FOR THE DISTRICT.

IN SUMMARY, MR. CHAIRMAN AND MEMBERS OF THE SUBCOMMITTEE, WE FULLY RECOGNIZE THE CRITICAL FINANCIAL SITUATION THAT THE DISTRICT FACES. FEDERAL GRANT RESOURCES CAN AND SHOULD PLAY A KEY ROLE IN ASSISTING THE DISTRICT TO NOT ONLY MEET THE NEEDS OF ITS CITIZENS, BUT ALSO TO SURVIVE AND OVERCOME THE FINANCIAL DIFFICULTIES WE MAY CONTINUE TO ENCOUNTER IN THE NEAR FUTURE.

WE CAN FULLY REALIZE THIS ROLE ONLY IF WE ARE PREPARED TO ASSUME THE RESPONSIBILITES THAT COME WITH THESE FUNDING RESOURCES AND DISPLAY THE TECHNICAL CAPACITY TO ACCESS FUNDS FOR PROGRAMS THAT THE DISTRICT TRULY NEEDS, CAN USE AND SUSTAIN, AND CAN MANAGE EFFECTIVELY. THAT IS THE MISSION OF THE NEW OFFICE OF GRANTS MANAGEMENT AND DEVELOPMENT -- TO COORDINATE THE DISTRICT'S GRANTS ACTIVITIES; UPGRADE EACH AGENCY'S LEVEL OF KNOWLEDGE, SKILL AND MANAGEMENT CAPABILITY; AND INTEGRATE GRANTS ACTIVITIES INTO THE DISTRICT'S LARGER GOALS OF INCREASED PROGRAMMATIC AND FINANCIAL STABILITY.

WE LOOK FORWARD TO REPORTING TO YOU REGULARLY ON OUR ACTIVITIES AND ACHIEVEMENTS TO THIS END.

COMMITTEE ADJOURNMENT

Mr. DIXON. The Committee stands adjourned until tomorrow at 1 p.m., when we will take up the budget of the Deputy Mayor for Economic Development.

AGENCY	1992 ACTUAL	1993 APPROVED	1994 PROPOSED
ECONOMIC DEVELOPMENT AND REGULATION			
Office of Banking & Financial Inst.:			
District Funds	0	662	662
Other Funds	0	10	10
Total	0	672	672
Deputy Mayor of Economic Devlop.:			
District Funds	1,399	962	1,062
Other Funds	0	0	0
Total	1,399	962	1,062
Office of Tourism and Promotion:			
District Funds	0	0	261
Office of Planning:			
District Funds	2,709	2,585	3,362
Other Funds	1	0	0
Total	2,710	2,585	3,362
Office of Zoning:			
District Funds	459	530	423
Other Funds	102	100	201
Total	561	630	624
Office of Housing and Community Develop.:			
District Funds	7,479	8,319	18,929
Federal Funds	0	0	0
Other Funds	383	0	0
Total	7,862	8,319	18,929
Dept. of Public & Assisted Housing.:			
District Funds	24,846	21,216	0
Federal Funds	38,026	42,771	48,562
Other Funds	158	0	0
Total	63,030	63,987	48,562
Department of Employment Services.:			
District Funds	26,203	28,793	26,530
Federal Funds	31,978	29,998	28,577
Other Funds	6,924	10,822	11,343
Total	65,106	69,613	66,450
Business & Economic Development:			
District Funds	2,508	3,342	0
Federal Funds	0	175	0
Other Funds	1,425	2,121	0
Total	3,933	5,638	0
Office of International Business:			
District Funds	395	357	0
Federal Funds	5	0	0

OPERATING BUDGET DETAIL BY AGENCY

AGENCY	1992 ACTUAL	1993 APPROVED	1994 PROPOSED
Other Funds	9	0	0
Total	409	357	0
Housing Finance Agency:			
District Funds	966	0	0
Federal Funds	0	0	0
Other Funds	0	0	0
Total	966	0	0
Board of Appeals and Review:			
District Funds	150	135	149
Board of Equalization and Review:			
District Funds	220	324	325
Dept. of Consumer & Rgulatory Affairs:			
District Funds	28,330	27,434	25,223
Federal Funds	3,441	6,563	5,784
Other Funds	1,397	3,902	5,208
Total	33,167	37,899	36,215
Public Service Commission:			
District Funds	4,975	5,673	5,686
Federal Funds	43	85	87
Other Funds	38	77	77
Total	5,055	5,835	5,850
Office of Peoples Counsel:			
District Funds	2,176	2,556	2,736
Total District Funds	102,815	102,888	85,348
Total Federal Funds	73,493	79,591	83,010
Total Other Funds	10,437	17,032	16,839
TOTAL, ECON. DEV.	**186,745**	**199,512**	**185,197**

THURSDAY, MAY 27, 1993.

ECONOMIC DEVELOPMENT AND REGULATION

OFFICE OF THE DEPUTY MAYOR FOR ECONOMIC DEVELOPMENT

WITNESSES

GEORGE W. BROWN, DEPUTY MAYOR
IRA STOHLMAN, CHIEF OF STAFF

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT

WITNESSES

MERRICK T. MALONE, DIRECTOR
MILTON BAILEY, DEPUTY DIRECTOR
JAMES CARR, ADMINISTRATOR OF NEIGHBORHOOD PRESERVATION AND COMMERCIAL DEVELOPMENT
JOANNE BROWN, ADMINISTRATOR OF PROGRAM SUPPORT AND ADMINISTRATIVE SERVICES
CLARICE BROWN, COMPTROLLER

DEPARTMENT OF PUBLIC AND ASSISTED HOUSING

WITNESSES

ROBERT K. JENKINS, JR., ACTING DIRECTOR
WAYNE CASEY, ACTING DEPUTY DIRECTOR FOR OPERATIONS
DOUG OWENS, ACTING BUDGET OFFICER

DEPARTMENT OF CONSUMER AND REGULATORY AFFAIRS

WITNESSES

JOAN PARROTT-FONSECA, ACTING DIRECTOR
LARRY KING, DIRECTOR DESIGNATE
JAMES REYNOLDS, CONTROLLER
BARRY CAMPBELL, ADMINISTRATOR, BUSINESS REGULATION ADMINISTRATION
HAMPTON CROSS, ADMINISTRATOR, BUILDING AND LAND REGULATION ADMINISTRATION

BUDGET REQUEST OF DEPUTY MAYOR FOR ECONOMIC DEVELOPMENT

Mr. DIXON. The Committee meeting will come to order.

We have with us today, George W. Brown, the Deputy Mayor for Economic Development. He is requesting $1,062,000 and 15 positions for fiscal year 1994, a net increase of $100,000 and one position above the 1993 level. For fiscal year 1993, Mr. Brown, you are requesting a reduction of $52,000. Under capital outlay you are requesting $12,180,000 for a municipal parking facility in the Adams Morgan area.

Because we have new Members and you are new, I think I will just read into the record the description of your job functions.

FUNCTIONS OF DEPUTY MAYOR FOR ECONOMIC DEVELOPMENT

You are one of three Deputy Mayors in the District. Your office was established in 1983 to develop a comprehensive, cohesive economic development program for the District and to coordinate all programs, policies and strategies, proposals and functions related to community development in the District. Your office provides direction and leadership for the following seven economic cluster agencies: The Office of Planning, the Department of Employment Services, the Department of Housing and Community Development, the Office of Cable Television, the Department of Consumer and Regulatory Affairs, the Office of Banking and Financial Institutions and the new Office of Tourism and Promotion.

PREPARED STATEMENT OF DEPUTY MAYOR FOR ECONOMIC DEVELOPMENT

That being your responsibility, Mr. Brown, if you have a statement for the record, we would be pleased to receive it at this time. If you would like to orally summarize it and introduce the people sitting with you we would be pleased to have that testimony at this time.

Mr. BROWN. Thank you, Mr. Chairman. I also have addendums to my prepared statement of accomplishments or projects and my bio.

Mr. DIXON. That will all be placed in the record at this point.

[The prepared statement, addendums, and biography referred to follow:]

OFFICE OF THE DEPUTY MAYOR FOR ECONOMIC DEVELOPMENT

OPENING STATEMENT OF
GEORGE W. BROWN
DEPUTY MAYOR FOR ECONOMIC DEVELOPMENT

ON THE FISCAL YEAR 1993 REVISED AND
THE FISCAL YEAR 1994 PROPOSED BUDGETS
BEFORE THE

DISTRICT OF COLUMBIA SUBCOMMITTEE
COMMITTEE ON APPROPRIATIONS
U.S. HOUSE OF REPRESENTATIVES

Thursday, May 27, 1993

GOOD AFTERNOON MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE. I AM GEORGE W. BROWN, CHIEF ECONOMIC DEVELOPMENT OFFICER FOR THE OFFICE OF THE DEPUTY MAYOR FOR ECONOMIC DEVELOPMENT. SINCE BEING APPOINTED TO THIS POSITION BY MAYOR SHARON PRATT KELLY IN JUNE 1992, I HAVE HAD THE RESPONSIBILITY OF PROVIDING OVERSIGHT AND POLICY GUIDANCE FOR THE 11 DISTRICT GOVERNMENT AGENCIES RESPONSIBLE FOR ECONOMIC DEVELOPMENT IN THE DISTRICT OF COLUMBIA.

I AM PLEASED TO APPEAR BEFORE YOU TODAY TO TESTIFY IN SUPPORT OF THE REVISED FISCAL YEAR 1993 BUDGET AND THE FISCAL YEAR 1994 BUDGET REQUEST FOR THE OFFICE OF THE DEPUTY MAYOR FOR ECONOMIC DEVELOPMENT (HEREINAFTER REFERRED TO AS "OED"). AT THIS TIME I WOULD LIKE TO SUBMIT AN ADDENDUM TO MY TESTIMONY FOR INCLUSION IN TODAY'S HEARING.

THROUGHOUT THE AFTERNOON, YOU WILL HEAR TESTIMONY FROM THE DIRECTORS OF THE DISTRICT GOVERNMENTS' ECONOMIC DEVELOPMENT CLUSTER AGENCIES, WHO ARE SOME OF THE CITY'S BRIGHTEST AND MOST CREATIVE FACILITATORS OF ECONOMIC DEVELOPMENT ACTIVITY. AS A RESULT OF THEIR LEADERSHIP, THE DISTRICT GOVERNMENT IS A MAJOR CATALYST FOR ECONOMIC DEVELOPMENT INITIATIVES THAT WILL PREPARE OUR COMMUNITIES AND CITIZENS TO MEET THE ECONOMIC DEMANDS OF THE 21ST CENTURY.

1993 REVISED BUDGET

THE FY 1993 REVISED APPROPRIATED BUDGET FOR OED IS $910,000 AND 14 APPROPRIATED AUTHORIZED FULL-TIME EQUIVALENT (FTE) POSITIONS. THIS REPRESENTS A NET REDUCTION OF $52,000 FROM THE ORIGINAL FY 1993 APPROPRIATED OPERATING BUDGET. THE OFFICE OF ECONOMIC DEVELOPMENT REALIZED THIS REDUCTION THROUGH A COMBINATION OF SAVINGS THAT INCLUDED $43,000 FROM THE FURLOUGH PROGRAM, $10,000 FROM WITHIN-GRADE SAVINGS, AND A REDUCTION OF $2,000 IN NON-PERSONAL SERVICES. THERE WAS HOWEVER, A $3,000 INCREASE IN THE COST OF EMPLOYEE HEALTH BENEFITS.

1994 BUDGET REQUEST

THE FY 1994 APPROPRIATED BUDGET REQUEST FOR THE OFFICE OF ECONOMIC DEVELOPMENT IS $1,062,000 AND 15 FTE POSITIONS, WHICH IS AN INCREASE OF $162,000 AND 1 FTE POSITION ABOVE THE REVISED FY 1993 BUDGET. THIS REQUEST REFLECTS THE FOLLOWING MAJOR CHANGES:

- O THE ELIMINATION OF 3 FTEs AND $120,000 FROM THE IMMEDIATE OFFICE OF ECONOMIC DEVELOPMENT;
- O FUNDING OF $238,000 FOR THE GREATER WASHINGTON PARTNERSHIP;
- O TRANSFER-IN OF INTERNATIONAL BUSINESS PROGRAM WITH 2 FTEs AND $88,000, THE INDUSTRIAL REVENUE BOND PROGRAM WITH 2 FTEs AND $92,000, AND THE PROPERTY DEVELOPMENT PROGRAM WITH 3 FTEs AND $102,000;
- O THE TRANSFER-OUT OF THE OFFICE OF TOURISM AND PROMOTION WITH 3 FTE POSITIONS AND $161,000 AND A BASE REDUCTION OF $139,000;
- O RESTORATION OF THE FURLOUGH AND WITHIN-GRADE SAVINGS; AND,
- O AN INCREASE OF $8,000 FOR EMPLOYEE HEALTH BENEFITS.

BEGINNING WITH THE FY 1994 BUDGET REQUEST, SOME OF THE OVERSIGHT AND COORDINATION RESPONSIBILITIES OF OED WILL BE REFOCUSED. OED WILL MAINTAIN OVERSIGHT RESPONSIBILITY FOR THE OFFICE OF PLANNING, DEPARTMENT OF CONSUMER AND REGULATORY AFFAIRS, OFFICE OF CABLE TELEVISION, DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT, OFFICE

OF BANKING AND FINANCIAL INSTITUTIONS, DEPARTMENT OF EMPLOYMENT SERVICES, DEPARTMENT OF PUBLIC AND ASSISTED HOUSING AND THE NEW OFFICE OF TOURISM AND PROMOTION.

AS A RESULT OF THE DISTRICT'S FINANCIAL SITUATION, THE OFFICES OF BUSINESS AND ECONOMIC DEVELOPMENT (OBED), AND INTERNATIONAL BUSINESS (OIB) WILL BE ABOLISHED AS SEPARATE ENTITIES AND SEVERAL FUNCTIONS WILL BE TRANSFERRED TO OED. SPECIFICALLY, THE INDUSTRIAL REVENUE BOND PROGRAM, AND PROPERTY DEVELOPMENT ACTIVITIES PERFORMED BY OBED WILL BECOME A PART OF OED. THE IDENTIFICATION OF ELIGIBLE FIRMS FOR BELOW MARKET TAX EXEMPT INDUSTRIAL REVENUE BONDS WILL BE PERFORMED BY THE INDUSTRIAL REVENUE BOND PROGRAM. LASTLY, THE PROPERTY DEVELOPMENT PROGRAM WILL DEVELOP PROPOSALS FOR REAL ESTATE DEVELOPMENT; IDENTIFY FEDERAL, LOCAL, AND PRIVATE FINANCING FOR PROJECTS; AND DEVELOP PUBLIC INFRASTRUCTURE PROPOSALS TO ENCOURAGE BUSINESS DEVELOPMENT.

THE INTERNATIONAL BUSINESS FUNCTION PERFORMED BY OIB WILL ALSO BE TRANSFERRED TO OED. THE OIB MISSION OF IDENTIFYING INTERNATIONAL BUSINESS OPPORTUNITIES FOR THE DISTRICT AND OTHER COUNTRIES WILL BE PERFORMED BY THE INTERNATIONAL BUSINESS PROGRAM WITHIN OED.

THE OFFICE OF MOTION PICTURES AND DEVELOPMENT, WHICH HAD BEEN A FUNCTION OF OBED, WILL BE ESTABLISHED AS A NEW AGENCY. THE OFFICE OF TOURISM AND PROMOTION WILL BE TRANSFERRED OUT OF OED AND WILL BE MERGED WITH THE OFFICE OF MOTION PICTURES AND DEVELOPMENT.

THE REORGANIZATION OF THESE FUNCTIONS WILL PERMIT MORE CENTRALIZED MANAGEMENT AND A BETTER UTILIZATION OF THE LIMITED RESOURCES, WITHOUT REDUCING THE DISTRICT GOVERNMENT'S COMMITMENT TO LOCAL ECONOMIC DEVELOPMENT.

CAPITOL BUDGET

THE OFFICE OF ECONOMIC DEVELOPMENT IS REQUESTING $28,180,000 IN CAPITAL BUDGET AUTHORITY FOR FOUR MAJOR ECONOMIC DEVELOPMENT PROJECTS:

- $12 MILLION FOR LAND ACQUISITION, DESIGN AND DEVELOPMENT OF A MUNICIPAL PARKING LOT IN ADAMS-MORGAN;

- $1 MILLON CONTRIBUTION TO THE AUTOMATED INFORMATION SYSTEMS FOR THE ECONOMIC DEVELOPMENT CLUSTER AGENCIES;

- $9 MILLION FUND FOR INFRASTRUCTURE IMPROVEMENTS PROJECTS AT COMMERCIAL AND RESIDENTIAL SITES IN THE DISTRICT'S THREE DESIGNATED DEVELOPMENT ZONES LOCATED EAST OF THE ANACOSTIA RIVER; AND,

- $6 MILLION FOR ACQUISITION AND IMPROVEMENTS TO SPUR AND SUPPORT ECONOMIC DEVELOPMENT AND REAL ESTATE DEVELOPMENT IN DISTRICT NEIGHBORHOODS.

GIVEN THE COMPLEXITIES OF ECONOMIC DEVELOPMENT, THE MAYOR AND D.C. COUNCIL HAVE MADE GOOD PROGRESS.

THE IMPACT OF THE RECESSION FELT BY THE NATION HAS CAUSED THE CITY TO ASSESS ITS ECONOMIC WEAKNESSES AND STRENGTHS AND MAKE SOME VERY DIFFICULT, BUT NECESSARY DECISIONS. UNDER THE LEADERSHIP OF MAYOR KELLY, THE DISTRICT GOVERNMENT, HAS TAKEN STEPS TO RE-ALIGN AND IMPROVE THE WAY THE ECONOMIC DEVELOPMENT CLUSTER AGENCIES CARRY-OUT THEIR MISSIONS.

SINCE BECOMING THE CHIEF ECONOMIC DEVELOPMENT OFFICER FOR THE DISTRICT OF COLUMBIA, I HAVE ATTEMPTED TO NOT ONLY CAPITALIZE ON THE EXISTING PUBLIC PRIVATE PARTNERSHIPS, BUT TO CREATE AN ENVIRONMENT THAT WILL FOSTER "WIN-WIN" ECONOMIC OPPORTUNITIES.

FOR EXAMPLE, IN ORDER TO PROVIDE A HIGHER QUALITY OF SERVICES TO THE PUBLIC, THE ECONOMIC DEVELOPMENT CLUSTER AGENCIES AND THE OFFICE OF THE DEPUTY MAYOR FOR ECONOMIC DEVELOPMENT MUST KNOW WHO THEIR "CUSTOMERS" ARE, WHAT THEIR NEEDS ARE, AND HOW GOVERNMENT CAN BEST WORK TO HELP MEET THE NEEDS CRITICAL THE CITY'S ECONOMIC VIABILITY.

FIRST AND FOREMOST, THE PRIMARY "CUSTOMERS" OF ALL DISTRICT GOVERNMENT AGENCIES ARE OUR CITIZENS AND THE TAX PAYERS. IT IS THE RESPONSIBILITY OF THE OFFICE OF THE DEPUTY MAYOR FOR ECONOMIC DEVELOPMENT TO ENSURE THAT MEANINGFUL REVENUE GENERATING AVENUES EXIST AND THAT THEY BENEFIT DISTRICT RESIDENTS. TO MEET THIS OBJECTIVE MY OFFICE PROVIDES SERVICES TO INTERNAL CUSTOMERS WHICH INCLUDE THE OFFICE OF THE MAYOR AND ECONOMIC DEVELOPMENT CLUSTER AGENCIES AND OUR EXTERNAL CUSTOMERS, THE FOR PROFIT AND NON-PROFIT BUSINESS COMMUNITY.

OF PARAMOUNT CONCERN TO THE MAYOR IS OUR ABILITY TO CONTINUE TO CREATE AND EXECUTE MEANINGFUL ECONOMIC DEVELOPMENT STRATEGIES. TO THIS END THE OFFICE OF THE DEPUTY MAYOR AND THE ECONOMIC DEVELOPMENT CLUSTER FOCUS ON THE FOLLOWING GOALS:

1) TO FULLY DEVELOP EXISTING DISTRICT ASSETS WHICH INCLUDE THE FEDERAL GOVERNMENT, TOURISM INDUSTRY, HEALTH CARE INDUSTRY, KNOWLEDGE INDUSTRY, ENTERTAINMENT AND SPORTS INDUSTRIES, AND THE WASTE MANAGEMENT INDUSTRY AS THE GROWTH INDUSTRIES OF THE FUTURE.

2) TO EXPAND AND ATTRACT ECONOMIC DEVELOPMENT ACTIVITIES TO INCLUDE NEIGHBORHOODS;

3) TO LINK ECONOMIC DEVELOPMENT STRATEGIES TO INVESTMENTS IN PEOPLE;

4) TO DEVELOP A POSITIVE BUSINESS CLIMATE; AND,

5) TO DEVELOP REGIONAL, NATIONAL AND INTERNATIONAL STRATEGIES.

WHILE THE AGENCIES THAT COMPRISE THE ECONOMIC DEVELOPMENT CLUSTER ARE RESPONSIBLE FOR PROVIDING TANGIBLE SERVICES THAT ARE REQUIRED TO CARRY FORWARD ECONOMIC DEVELOPMENT INITIATIVES, THEY RELY ON THE OFFICE OF THE DEPUTY MAYOR FOR ECONOMIC DEVELOPMENT FOR GUIDANCE ON MAJOR POLICY ISSUES, COORDINATION OF RESOURCES AND FORMAL DECISION-MAKING IN SOME INSTANCES. THUS. THE OFFICE OF THE DEPUTY MAYOR FOR ECONOMIC DEVELOPMENT PROVIDES OVERSIGHT, COORDINATES INTRA-GOVERNMENT ECONOMIC ACTIVITIES AND WORKS TO ESTABLISH A STANDARD OF OPERATION FOR THE IMPLEMENTATION OF ECONOMIC DEVELOPMENT ACTIVITIES.

A GOOD EXAMPLE OF THE LEADERSHIP EFFORTS OF THE OFFICE OF THE DEPUTY MAYOR FOR ECONOMIC DEVELOPMENT WAS DEMONSTRATED THROUGH THE COORDINATION OF A STUDY OF THE VARIOUS DISTRICT GOVERNMENT AGENCY PROGRAMS AND FUNCTIONS ASSOCIATED WITH HOUSING AND NEIGHBORHOOD DEVELOPMENT. TWO STUDY GROUPS WERE ESTABLISHED: THE HOUSING REGULATORY TASK FORCE AND THE HOUSING DEVELOPMENT AND FINANCE TASK FORCE.

THE HOUSING REGULATORY TASK FORCE CONSISTED OF REPRESENTATIVES FROM THE DEPARTMENT OF CONSUMER AND REGULATORY AFFAIRS (DCRA), OFFICE OF POLICY, OFFICE OF CORPORATION COUNSEL, OFFICE OF PLANNING (OP), DEPARTMENT OF PUBLIC WORKS (DPW), AND THE DEVELOPMENT ZONES ADMINISTRATION (DZA). THE TASK FORCE MEMBERS CONDUCTED EXTENSIVE INTERVIEWS WITH LOCAL AND REGIONAL HOUSING OFFICIALS, DEVELOPMENT COMPANIES AND HOUSING PROVIDERS TO OBTAIN INPUT IN IDENTIFYING PERCEIVED REGULATORY BARRIERS TO HOUSING AND NEIGHBORHOOD DEVELOPMENT AND IDEAS TO ESTABLISH USER-FRIENDLY PROCESSING SYSTEMS.

THEY ALSO WORKED TO IDENTIFY BETTER METHODS FOR SERVING AND CONDUCTING BUSINESS WITH HOUSING, COMMUNITY AND COMMERCIAL DEVELOPERS. THIS COLLABORATIVE EFFORT TO MAXIMIZE OUR RESOURCES AND PROVIDE MEANINGFUL SERVICES TO OUR CUSTOMERS, GENERATED A WORKING DOCUMENT THAT PROVIDES A GUIDE IN IMPLEMENTING THE RECOMMENDATIONS OF THE TASK FORCE. SPECIFICALLY, THE TASK FORCE REPORT PROVIDED RECOMMENDATIONS TO IMPROVE: COMMUNICATION; APPLICABILITY OF CODES AND REGULATIONS; LEGISLATIVE; PROCESSES AND PROCEDURES; USER INFORMATION AND INSTRUCTION; REGULATORY ENFORCEMENT AND ADMINISTRATIVE RESOURCES. ADDITIONALLY, COMMUNICATION BETWEEN AGENCIES WAS EXPANDED TO INCLUDE THE AFFECTED RESIDENTIAL TENANT COMMUNITY AND OFTEN RESULTED IN TENANTS GAINING OWNERSHIP OF MULTI-FAMILY BUILDINGS.

AMONG THE EXTERNAL CUSTOMERS OF THE OFFICE OF THE DEPUTY MAYOR FOR ECONOMIC DEVELOPMENT ARE MEMBERS OF THE FOR-PROFIT AND NON-PROFIT BUSINESS COMMUNITY. THE OFFICE OF THE DEPUTY MAYOR FOR ECONOMIC DEVELOPMENT IS A CATALYST FOR THE EXECUTION OF ECONOMIC, BUSINESS AND COMMUNITY DEVELOPMENT INITIATIVES. THIS OFFICE AND THE RESOURCES IT BRINGS TO BEAR ARE VITAL TO THE CITY'S ABILITY TO RETAIN EXISTING BUSINESSES AND ATTRACT NEW ONES.

BECAUSE THE RETENTION OF D.C. BASED BUSINESSES IS ONE OF OUR HIGHEST PRIORITIES, CONSIDERABLE EMPHASIS IS PLACED ON OUR FUNDAMENTAL RESPONSIBILITY TO MATCH THE NEEDS OF THE BUSINESS COMMUNITY WITH THE NEEDS OF THE CITY. MOST RECENTLY, INTERACTION WITH ONE OF WASHINGTON'S OLDEST INSURANCE COMPANIES, THE ACACIA GROUP, ADDRESSED WAYS IN WHICH THE CITY AND ACACIA CAN WORK TOGETHER TO ENSURE THAT ACACIA HEADQUARTERS REMAINS IN THE CITY, A DIRECT REQUEST FROM THE BOARD OF DIRECTORS.

BECAUSE OF ACACIA'S CANDOR, AND THE GOAL OF MY OFFICE TO ESTABLISH AND MAINTAIN STRONGER PARTNERSHIPS WITH THE BUSINESS COMMUNITY, WE HAVE BEEN ABLE TO BEGIN TO IDENTIFY WHAT ACACIA'S NEEDS ARE. WE NOW HAVE THE OPPORTUNITY OF COORDINATING THE RESOURCES OF THE ECONOMIC DEVELOPMENT CLUSTER AGENCIES TO HELP MEET ACACIA'S NEEDS.

WHILE YOU WILL HAVE HEARD AND WILL CONTINUE TO HEAR TESTIMONY FROM THE ECONOMIC DEVELOPMENT CLUSTER AGENCIES ON THEIR RESPECTIVE ACCOMPLISHMENTS, I DO WANT TO TAKE THIS TIME TO MENTION JUST A FEW.

OFFICE OF PLANNING:

OF SIGNIFICANCE IS THE WORK OF THE OFFICE OF PLANNING TO AMEND THE COMPREHENSIVE PLAN FOR THE NATIONS CAPITAL. DURING THE SUMMER THE OFFICE OF PLANNING DEVELOPED AND PUBLISHED RULES WHICH DELINEATED THE PROCESS FOR REVIEWING PROPOSED AMENDMENTS AND FOR REVIEWING AND EVALUATING EACH PROPOSAL. DURING OCTOBER AND NOVEMBER OF 1992 THE OFFICE OF PLANNING HELD MEETINGS IN EVERY WARD TO EXPLAIN THE PROCESS TO THE GENERAL PUBLIC. AS A RESULT OF THIS EFFORT THE OFFICE OF PLANNING REVIEWED MORE THAN 80 SUBMISSIONS, AND SUBMITTED MORE THAN 300 PROPOSED AMENDMENTS TO THE D.C. COUNCIL.

ADDITIONALLY, DURING 1993 THE OFFICE OF PLANNING:

- O COMPLETED ITS WORK ON THE GENERALIZED LAND USE MAP CORRECTIONS;

- O CONTINUED ITS EFFORTS TO IMPLEMENT THE BUZZARD POINT/NEAR SOUTHEAST PLANNING STUDY. THE "BUZZARD POINT/NEAR SOUTHEAST VISION 2020 BACKGROUND REPORT", COMPLETED IN 1992 ESTABLISHED A REVISED FRAMEWORK FOR RESHAPING THE BUZZARD POINT, CAPITOL GATEWAY, CAPITOL SOUTH AREAS INTO A DYNAMIC NEW COMMUNITY. PHASE II OF THE STUDY IS NOW UNDER WAY AND WILL ADDRESS REFINEMENT OF THE DEVELOPMENT GOALS AND POLICIES AND MAKE SPECIFIC ZONING RECOMMENDATIONS.

- O IDENTIFIED SPECIFIC NEAR-TERM DEVELOPMENT OPPORTUNITIES AND IMPLEMENTATION STRATEGIES FOR THREE AREAS IN THE EAST OF THE RIVER DEVELOPMENT ZONES (ANACOSTIA DEVELOPMENT ZONE IMPLEMENTATION PLAN); AND

- O COMPLETED A SOCIO-ECONOMIC INDICATOR PUBLICATION WHICH DEPICTS THE QUALITY OF LIFE MEASURES BY CENSUS TRACTS FOR ALL AREAS OF THE CITY.

THE DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT:

- COMPLETED CONSTRUCTION OF THE EDWARD C. MAZIQUE PARENT CHILD CENTER;
- PLAYED A PIVOTAL ROLE IN THE HABITAT FOR HUMANITY HOUSING DEVELOPMENT PROJECT. DHCD ASSIGNED UNINCUMBERED CITY-OWNED LAND TO THE REDEVELOPMENT LAND AGENCY AND EVALUATED THE BENEFIT AND FEASIBILITY OF THE SALE TO FACILITATE THE DEVELOPMENT OF 10 SINGLE-FAMILY HOMES FOR LOW-INCOME D.C. RESIDENTS BY HABITAT FOR HUMANITY INTERNATIONAL.
- COMPLETED REHABILITATION OF 1,027 UNITS OF AFFORDABLE HOUSING FOR LOW TO MODERATE INCOME FAMILIES.
- CLOSED 335 LOANS TO D.C. RESIDENTS WHO BECAME FIRST-TIME HOMEOWNERS THROUGH THE HOME PURCHASE PROGRAM.
- REHABILITATED 26 SINGLE FAMILY UNITS.
- WEATHERIZED 186 UNITS.
- SOLD 5 PARCELS OF LAND GENERATING $6.5 MILLION; AND.
- TURNED THE KEYS OVER TO 85 FAMILIES IN THE HOMESTEAD PRESERVATION PROGRAM.

THE DEPARTMENT OF HUMAN RIGHTS AND MINORITY BUSINESS DEVELOPMENT,

HUMAN RIGHTS ENFORCEMENT EFFORTS HAVE FOCUSED ON:

- BROADENING THE MEDIATION PROGRAM TO INCLUDE DISTRICT GOVERNMENT COMPLAINTS;
- SIMPLIFYING REPORTS OF INVESTIGATIONS TO REDUCE REPETITION OF INFORMATION;
- DRAFTING LANGUAGE TO AMEND THE HUMAN RIGHTS ACT OF 1977 TO: ESTABLISH A STATUE OF LIMITATIONS OF 180 DAYS FOR FILING A COMPLAINT, HAVE AN EXTENSION OF TIME ALLOWED FOR THE DEPARTMENT TO PROCESS COMPLAINTS FROM 120 TO 365 DAYS; TO INCLUDE MEDIATION AS MANDATORY IN THE COMPLAINT PROCESS IN AN EFFORT TO SETTLE CASES PRIOR TO FULL CURSE

INVESTIGATION AND TO ADD A PROVISION TO TOLL THE STATUE TO PROTECT THE COMPLAINANT'S RIGHT TO SEEK REDRESS.

- O OF COURSE, THE OFFICE OF HUMAN RIGHTS WILL CONTINUE ITS WORK IN THE DEVELOPMENT OF A SEXUAL HARASSMENT TRAINING VIDEO.

THROUGH ITS MINORITY BUSINESS DEVELOPMENT PROGRAM THE DEPARTMENT HAS:

- O INITIATED A DISCRIMINATION STUDY TO DOCUMENT HISTORICAL DISCRIMINATION IN THE DISTRICT IN RESPONSE TO DECEMBER RULING THAT THE CITY'S SET-ASIDE PROGRAM HAS BEEN DEEMED UNCONSTITUTIONAL.

- O ESTABLISHED PROCEDURES FOR IMPLEMENTATION OF THE "EQUALITY OPPORTUNITY FOR LOCAL, SMALL AND DISADVANTAGED BUSINESS ENTERPRISES EMERGENCY ACT OF 1992" WAS APPROVED IN JUNE. CURRENTLY THERE ARE OVER 350 BUSINESSES ELIGIBLE TO PARTICIPATE IN THE PROGRAM.

- O WORK WITH 24 COMPANIES IN THE MENTORSHIP PROGRAM TO STRENGTHEN CERTIFIED MINORITY BUSINESSES. PRESENTLY, THERE ARE 24 COMPANIES PARTICIPATING IN THE PROGRAM; 12 MENTORS AND 12 MENTEES. AMONG THE MENTOR COMPANIES ARE IBM, KELLY GIRLS, HESS MECHANICAL AND FORT MYER CONSTRUCTION.

- O HELD THE 10TH ANNUAL MINORITY ENTERPRISE DEVELOPMENT (MED) WEEK THINK TANK SESSION; A TOWN MEETING AND AWARDS RECEPTION. APPROXIMATELY 500 PERSONS PARTICIPATED.

TO CONCLUDE, I HAVE SUBMITTED FOR YOUR CAREFUL CONSIDERATION ALTERNATIVES THAT WILL AUGMENT THE WAY IN WHICH THE DISTRICT CONDUCTS BUSINESS. THESE ALTERNATIVES ARE AIMED AT STRENGTHENING OUR ABILITY TO CREATE AN ENVIRONMENT CONDUCIVE TO GENERATING ECONOMIC STABILITY.

APPROVAL OF THE FY 1994 BUDGET SUPPORTS THE ECONOMIC AND BUSINESS DEVELOPMENT ACTIVITIES OF THE CITY TO ACHIEVE AN INCREASE IN THE TAX BASE, EMPLOYMENT OF D.C. RESIDENTS, RETAIN AND ATTRACT BUSINESS, AND PROVIDE FOR INCREASED MINORITY BUSINESS OPPORTUNITIES.

THE GOALS AND OBJECTIVES OUTLINED TODAY WERE DONE IN CAREFUL CONSIDERATION OF THE ECONOMIC DEVELOPMENT MISSION OF THE KELLY ADMINISTRATION. THE OFFICE OF THE DEPUTY MAYOR, ITS STAFF, CLUSTER

AGENCIES AND THE OFFICE OF THE MAYOR WILL CONTINUE OUR EFFORTS TO BRING ABOUT OPERATIONAL EFFICIENCIES, COST SAVINGS AND REFINE OUR BUSINESS METHODOLOGY TO FORWARD OUR QUEST TOWARDS STATEHOOD.

MR. CHAIRMAN, THIS CONCLUDES MY OPENING STATEMENT. I AM AVAILABLE TO ANSWER ANY QUESTIONS YOU MAY HAVE.

THANK YOU.

Office of the Deputy Mayor for Economic Development

Agency Overview

Mission

The mission of the Office of the Deputy Mayor for Economic Development is to develop comprehensive economic development programs for the District of Columbia.

Agency Description

Beginning with the FY 1994 budget request, some of the oversight and coordination responsibilities of OED will be refocused. OED will maintain oversight responsibilities of the Office of Planning, the Department of Consumer and Regulatory Affairs, the Office of Cable Television, the Department of Housing and Community Development, the Office of Banking and Financial Institutions, the Department of Employment Services, and the new Office of Tourism and Promotion.

As a result of the District's financial situation, the Office of Business and Economic Development, and the Office of International Business will be abolished as separate entities. Some of its functions will be transferred to the Department of Housing and Community Development and some functions will be transferred to OED. Also, the Office of Tourism and Promotion will be transferred out of OED and will be merged with the Office of Motion Pictures and Development, which had been a function of the Office of Business and Economic Development. In OED, the International Business, Industrial Revenue Bond Program, and Property Development activities will become a part of OED. The mission of identifying international business opportunities for the District and other countries will be performed by the International Business program within OED. The identification of eligible firms for below market tax exempt industrial revenue bonds will be performed by the Industrial Revenue Bond program. Lastly, the Property Development program will develop proposals for real estate development; identify federal , local, and private financing for projects; and develop public infrastructure proposals to encourage business development. The District is still committed to local economic development and the transferring of functions will permit more centralized management and a better utilization of limited resources.

The FY 1994 structure of OED will contain five programs: the Office of the Deputy Mayor for Economic Development; International Business; the Industrial Revenue Bond Program; Property Development; the Development Zones Administration.

Agency Budget Summary

FY 1994: The *total* budget from all funding sources for FY 1994 is $1,462,343 and 22 FTE positions, an increase of $228,000 and an increase of 1 FTE from the revised total FY 1993 budget of $1,234,000 and 21 FTE positions. The FY 1994 *appropriated* budget request is $1,062,000 and 15 FTE positions, an increase of $162,000 and an increase of 1 FTE from the revised FY 1993 appropriated budget of $910,000 and 14 FTE positions. The *nonappropriated* budget for FY 1994 is $400,343 and 7 FTE positions, which is an increase of $76,000 over the FY 1993 nonappropriated budget.

Office of the Deputy Mayor for Economic Development

The major changes include the following in FY 1994:

- The elimination of 3 FTEs and $120,000 from the Office of Deputy Mayor for Economic Development responsibility center;
- Funding of $238,000 for the Greater Washington Partnership;
- Transfer-in of International Business with 2 FTEs and $88,000, the Industrial Revenue Bond Program with 2 FTEs and $92,000, and the Property Development Program with 3 FTEs and $102,000;
- The transfers-out of Office of Tourism and Promotion with 3 FTE positions and $161,000 and a base reduction of $139,000;
- Restoration of the furlough and within grade savings
- An increase of $8,000 in health benefits

FY 1993 Revised: The major revised FY 1993 changes are:

- The furlough savings of $43,000;
- Within-grade savings of $10,000;
- A $3,000 increase in health benefits; and
- A reduction of $2,000 in Nonpersonal Services.

Budget Strategy and Impacts
Strategy: OED will continue developing policies to retain and attract business in the District of Columbia. The Development Zones Administration will continue to promote economic and residential growth in the development zones east of the Anacostia River.

Impacts: OED will establish task forces and public/private partnerships to review and develop policies to support economic growth. OED's business retention and attraction efforts focus on providing and leveraging resources to such growth industries as recycling, telecommunications, health services, and the sports and entertainment industry.

OED has also initiated a Federal Lands economic utilization effort. OED seeks to work with the General Services Administration and the Department of the Interior to assess the feasibility of using some federally owned lands for local economic development.

Office of the Deputy Mayor for Economic Development

Table I — Agency Staffing and Funding Detail

Programs	Staffing (FTE Positions)				Funding			
	FY92 Actual	FY93 Budget	FY93 Revised	FY94 Proposed	FY92 Actual	FY93 Budget	FY93 Revised	FY94 Proposed
Deputy Mayor for Economic Development	10.6	11.0	11.0	15.0	767,125	662,000	619,000	1,062,000
Banking & Financial Institutions	5.5	0.0	0.0	0.0	583,878	0	0	0
Development Zones Administration	1.8	7.0	7.0	7.0	373,825	463,353	324,353	400,353
Office of Tourism & Promotion	0.0	3.0	3.0	0.0	0	300,000	291,000	0
Total Agency	17.9	21.0	21.0	22.0	1,724,828	1,425,353	1,234,353	1,462,353
Appropriated Funds	16.1	14.0	14.0	15.0	1,399,205	962,000	910,000	1,062,000
Federal Funds	0.0	0.0	0.0	0.0	0	0	0	0
Intra-District Funds	1.8	7.0	7.0	7.0	325,624	463,353	324,353	400,353
Other Funds	0.0	0.0	0.0	0.0	0	0	0	0

Table II — Agency Outputs

Measures	FY 1991	FY 1992	FY 1993	FY 1994
No. of Public Private Partnerships	3	3	4	5
Business Comm. & Res. Outreach	8	8	14	16
Hrs. of Community Outreach by DZA	4,200	2,700	2,200	2,200
No. of DZA Comm. Presentations	12	10	12	12
Capital Improvement Projects in DZA	2	4	8	8
No. of Streets Improved in DZA	2	6	25	30
No. Business Impacted by DZA	20	30	100	150
No. of Homes Impacted by DZA	0	0	173	140

Office of the Deputy Mayor for Economic Development

Table V **Agency Appropriated Summary by Expenditure Type**

Expenditure Type	Staffing (FTE)				Funding			
	FY 92 Actual	FY 93 Budget	FY 93 Revised	FY 94 Proposed	FY 92 Actual	FY 93 Budget	FY 93 Revised	FY 94 Proposed
Personal Services								
Regular Pay	15.2	12.0	12.0	15.0	897,084	626,000	573,000	522,000
Other Pay	1.0	2.0	2.0	0.0	30,517	37,000	37,000	89,000
Additional Gross Pay	0.0	0.0	0.0	0.0	29,282	0	0	0
Fringe Benefits	0.0	0.0	0.0	0.0	108,138	92,000	95,000	90,000
Total Personal Services	16.2	14.0	14.0	15.0	1,065,021	755,000	705,000	701,000
NonPersonal Services								
Supplies					7,727	4,000	4,000	23,000
Energy					0	0	0	0
Communications					24,902	6,000	6,000	12,000
Building Rent					212,870	0	0	0
Other Services & Charges					80,669	185,000	183,000	291,000
Subsidies & Transfers					0	0	0	0
Equipment					8,017	12,000	12,000	35,000
Total NonPersonal Services					334,185	207,000	205,000	361,000
TOTAL AGENCY	16.2	14.0	14.0	15.0	1,399,206	962,000	910,000	1,062,000

INTRODUCTION OF DEPARTMENT HEADS

Mr. BROWN. Thank you very much, Mr. Chairman, and other members of the committee. To my left is Merrick Malone, the Director of the Department of Housing and Community Development. To my immediate right is Robert Jenkins, the Acting Director of Department of Public and Assisted Housing, also under the purview of my office. To his right is Joan Fonseca, who prior to serving as the Acting Director for the Department of Consumer and Regulatory Affairs was the Deputy Director. Next to her is Larry King who will be nominated by the Mayor as the new Director for Department of Consumer and Regulatory Affairs.

We have a statement that we have submitted for the record and I will highlight some of those provisions for you. I am pleased to appear before you today in my first appearance to testify in support of the raised fiscal year 1993 and 1994 budgets. You will hear from other colleagues within the economic development cluster.

HIGHLIGHTS OF BUDGET REQUEST

The 1993 revised budget requests does call for $910,000 and 14 appropriated full-time equivalent positions. And the 1994 budget request is for $1,062,000 and 15 full-time positions.

REALIGNMENT OF ECONOMIC DEVELOPMENT CLUSTER

There are a number of activities that have occurred with respect to the organization of the economic development cluster. Many of these changes with respect to the fiscal year 1994 budget reflects in large measure some of the financial conditions of the city in which the offices, the prior Offices of Business and Economic Development and International Business have been abolished as a part of the fiscal year 1994 budget as separate entities, but several of those functions will be resting within the Office of Economic Development, my office, specifically the Industrial Revenue Bonds Program and property development activities will become a part of my office.

The identification of eligible firms for the Tax Exempt Industrial Bonds Programs will be performed by the staff that has been formed to serve that program. The Property Development Division, which deals with the management of our capital budget, as well as other real estate commercial activities, will be a part of the Office of Economic Development in fiscal year 1994.

The international business function which was performed by the Office of International Business will also be transferred by function to the Office of Economic Development. That office is charged with identifying international business opportunities for the District from other countries and will be performed by my office with a reduced staff complement.

The Office of Motion Picture and Television Production has been established as a function or as a part of the agency that we formed last year, the Office of Tourism and Promotion. Those offices will be merged together. We believe that the organization of these functions will not only cause savings in appropriated dollars, but will also provide better utilization of our limited resources and more effective management of the economic development function.

CAPITAL BUDGET REQUEST

With respect to the capital budget, the Office of Economic Development has requested a total of $28,108,000 in capital budget authority. They are programmed into four major areas: $12 million for land acquisition, design and development of a municipal parking lot in Adams Morgan; a million-dollar contribution to the automated information systems for the economic development cluster, including automation efforts in the Department of Consumer and Regulatory Affairs; $9 million for infrastructer improvement projects at commercial sites in the District's three designated development zones located east of the river; and $6 million for acquisition and improvements to support economic development and real estate development in the District.

I think I would like to stop with those highlights and allow a couple of minutes for you to address questions.

Mr. DIXON. I said you were requesting $12 million in capital outlays and you are saying $28 million. I assume you are including the requests of other agencies within your cluster?

Mr. BROWN. Within the cluster. $12 million for my immediate office.

STATUS OF ADAMS MORGAN PARKING FACILITY

Mr. DIXON. How far off is the parking facility? People in the Adams Morgan areas have been here as public witnesses from time to time and one of the things they complain about is lack of parking. I see this will be the first municipal parking facility in the District. What is the time frame for completing this facility?

Mr. BROWN. We are currently under negotiations and we have, as you may know, for some time, perhaps as far back as a year-and-a-half ago engaged a consultant, Desmond Associates, to examine the parking issue and potential sites where we could locate a municipal parking facility. We moved aggressively to locate appropriate sites and which either the city could acquire or where private sources could acquire and work together to create a parking structure. We are in negotiation with an owner of a piece of property currently in bankruptcy court. We are now negotiating a letter of intent, which we hope to conclude this week which will allow the city to acquire an appropriate site, to then begin moving to the next step of opening construction of this facility.

The negotiations will provide in Adams Morgan an appropriate spot that could have from 150 to 200 some stalls for parking. Beyond just a municipal facility we are cognizant of the utilization of capital monies to bring about parking resources. We are looking at ways which we can bring a facility to bear. That includes, and we have been encouraged by working with a couple of existing parking operators, private, for-profit companies to work with us to get a creative type of public-private partnership to have this facility on board.

We have gone beyond the study stage. We are looking at acquiring the land and moving forward to have some type of structure in place very soon.

Mr. DIXON. Do you anticipate that the $12 million is for land acquisition and construction.

Mr. BROWN. The $12 million would be for significant improvements. We are reasonably sure that of the $12 million, acquisition will only be 20 percent of that amount. We will be prudent so that beyond the acquisition we may be creative about improvements by having a public-private partnership for improvements and operations. We are trying to keep minimum amount of outlay on the acquisition side.

Mr. DIXON. It will be a for profit facility or will it be a metered lot?

Mr. BROWN. It is not going to be a metered lot. However, the idea is to have a win-win scenario. To be sensitive to the business, to make it cost-effective for businesses and for commerce to buy and retail. Importantly also is the community relative to residents who have a concern for parking after business hours. We are trying to have a situation with parking spaces of those residents who need to have sites after business hours.

We are cognizant that we have to keep rates at such a level that we will induce the kind of commerce we want to achieve.

FOOTBALL STADIUM NEGOTIATIONS

Mr. DIXON. Were you on board and a participant in the negotiations for the new football stadium?

Mr. BROWN. There is good news and bad news. I did not participate in the negotiations. However a "football" was handed to me some months ago to conclude the implementation of the project. So I have been involved since February 5th when the new Memorandum of Understanding was negotiated.

Mr. DIXON. Can you outline what is to occur?

Mr. BROWN. We have been working with the Jack Kent Cook organization in what I call a tripartite arrangement, with the National Park Service, Interior, the Cook organization and the District as principles to get through a number of both local processes, our District regulations and Federal regulations.

To date we have been successful in these areas. We were very successful in reaching approval by the Fine Arts Commission which had oversight of the conceptual design so we have received preliminary approval of the conceptual design. We have made a preliminary presentation for the staff of the National Capital Planning Commission and we are scheduled to make a presentation, we hope, in August to the National Capital Planning Commission. Of course, that hearing cannot be done until the Environmental Impact Statement has been finalized.

We have had two scoping meetings regarding environmental impact. At that time we had moved forward on an environmental assessment. Immediately after the assessment hearings we determined it was appropriate to go forward with a full blown EIS.

LOCATION OF STADIUM

Mr. DIXON. What sites are we talking about?

Mr. BROWN. The stadium site is west of the current stadium, what was parking lot G, so we have filed a preliminary environmental impact. On July 14th there will be public hearings with respect to the final EIS. There will be a non-action period in August and if all goes well we hope to be before the National Capital Plan-

ning Commission around the latter part of August for their approval.

FINANCING OF STADIUM

Mr. DIXON. How is it to be financed?

Mr. BROWN. The stadium itself will be completely financed by the Jack Kent Cook organization to the tune of roughly $150 million to $180 million. The District of Columbia agreed to finance the cost of the infrastructure, everything leading up to construction of the stadium at $46 million, provided, however, that the Jack Kent Cook organization would retire that debt over a period of 20 years, at $4.6 million a year. We said we would essentially finance the infrastructure with the provision that it be paid by the Cook organization.

We are now moving forward on the environmental impact statement. We are reviewing bids relative to moving on the infrastructure development. Our office is also looking at the financing, the $46 million. That is what we are doing on several tracks, EIS, infrastructure development and ensuring that we have appropriate local based businesses, small and disadvantaged business participation.

OWNERSHIP OF LAND

Mr. DIXON. This is District land?

Mr. BROWN. No. This is the Department of Interior Federal land which is why, because it is Federal land, the National Park Service is an integral part of this partnership. It will be a lease agreement. Jack Kent Cook will own the improvements. We have legislation introduced. We have been working with members of the various committees to brief them on the matter and to keep them as much informed as we can.

LEAST AGREEMENT

Mr. DIXON. What is the length of the lease?

Mr. BROWN. The length of the lease is 99 years.

PLANNING FOR NEW CONVENTION CENTER

Mr. DIXON. Are there plans at this point—and I understand the fiscal constraints that the District is under—but are there recent negotiations or plans concerning a new or modified convention center?

Mr. BROWN. Yes, there are. It was indicated that the environmental studies had been done and other studies were under way to determine feasibility of several things, what would be the appropriate site and what would be the appropriate site and what would be the appropriate financing vehicles to build a facility. We have completed those analyses and concluded the following. One is that we know that the construction of a new convention center of somewhere around 800 to a million square feet would cost roughly $450 million to $500 million. We know if we were to finance that we would be looking at a $50 million to $60 million a year annual debt service.

Of the sites examined we tend to rank high among those in the current sites in Mt. Vernon Square next to the current center. We have also looked at the cost differentials by going below grade or above grade in construction. The issues below or above grade will be re-examined, but the Mayor has indicated we are going to go forward as quickly as possible. The problem is financing. We have had Wall Street firms examine possibilities.

One way, of course, is to deal with dedicated tax of some sort. A dedicated tax with our current financing situation is not an option that we would enjoy. It would mean pushing to the envelop many current taxes. So that is not a plausible issue for us.

Second, whether or not we can develop, if we go below grade, some of the air rights above the grade. We are examining that and marketing may be troublesome but we are looking at that. The extent to which we can use our current convention center in some type of private sector development opportunity, either a purchase by some entity, private or government, at cetera-all those issues we are moving to examine and explore.

The critical factor is not that we don't want to move forward. We have to move forward. It is how we finance, and we are looking at ways how to do that.

FINANCIAL BENEFITS OF CONVENTION CENTER

Mr. DIXON. What do you estimate the revenue to the District to be directly? I am not talking about hotels—is that the primary benefit?

Mr. BROWN. The primary benefit of a convention center is the expenditures by outside, that is the international tourists and domestic tourists, use of hotels and restaurants and the fact that we are hiring people, jobs to provide services. We have estimated that we expend somewhere—we receive in terms of direct benefit from our current facility, 300,000 square feet, from $20 million to $30 million in direct revenue to the District of Columbia.

We have found that if you continue at the same facility we will wind up losing those resources because there are two other large facilities on the way. We expect within a 10-year period to get up to $50, $60 million in direct benefits to the District.

SUBSIDY PAYMENT TO CONVENTION CENTER

Mr. DIXON. How much are you proving to the convention center this year by way of the subsidy?

Mr. BROWN. I can't answer that directly.

[The information follows:]

FY 1993 Transfer payment is $13,250,000 and FY 1994 is $12,850,000.

EXPANSION OF CONVENTION CENTERS

Mr. DIXON. I don't have a bias one way or the other, but as I move around a little, every community is using the same justification for expansion of their convention centers—Los Angeles, San Diego—and sooner or later there is just not enough of these large conventions to fill the large convention centers. I am told the district is losing $13 million on the present convention center this year. You start out with a medium size facility and then you come

back in a few years and say you are losing business because you are too small to accommodate the large conventions.

I mean you never could in the first place, but somehow we are losing the large ones to Los Angeles to San Diego——

Mr. BROWN. We are losing them to St. Louis.

Mr. DIXON. Every community has the same kind of testimony, whether it is in the newspapers or editorials. They all read the same—D.C. just expanded their convention center and now we have to build one that holds a thousand people more than theirs. San Francisco has the biggest in the world; we have to expand this one again. And some of the same consultants, by the way, work on all these convention centers and use the same arguments. The reason I say that is. I fly back and forth with some of them from time to time.

Mr. Walsh.

MAJOR INCREASE IN BUDGET DUE TO ABSORBING ABOLISHED OFFICES

Mr. WALSH. Thank you, Mr. Chairman. Your budget request is $1,062,000; is that correct?

Mr. BROWN. Yes, for 1994.

Mr. WALSH. And your current budget is $900,000?

Mr. BROWN. Yes.

Mr. WALSH. That is an 18 to 20 percent increase in your budget. Most of the department chairmen, chairwomen that have come in have asked for reductions or slight increases. How can you justify that large an increase?

Mr. BROWN. It is a false picture. It is not an increase. If you looked at trying to compare apples to apples, a majority of the 900 some thousand dollars in fiscal year 1993 for my office did relate to 11 plus or 14 full-time equivalent positions. In 1994 the 11 full-time equivalent positions will be reduced by three positions.

As a result of the Office of Business and Economic Development being abolished and the Office of International Business, the remaining positions that were in fact allowed for 1994, seven or so positions, would move into my office and the budgets for those. On the one hand, we have abolished OBE with a $2 million appropriated budget-that is gone, and 17 plus positions gone. Five will be coming into my office. The Office of International Business, in which currently there are five positions authorized, two for 1994 are gone, those will come into my office. So while there is an increase in my office, I have assumed those functions because those two offices have been abolished for 1994.

STATUS OF OBED AND OIB

Mr. WALSH. Those two offices were not a part of that budget last year?

Mr. BROWN. No. There were independent control centers, the Office of International Business and the Office of Business and Economic Development. The Office of International Business is charged with developing relationships with the international marketplace both in terms of creating business opportunity for the District of Columbia and making sure we maintain relationships with the various embassies in the District of Columbia. I would call it ensuring that we have an opportunity to address our markets and

their markets. That is what international business has been performing. What we are trying to do is to make it more practice in terms of creating links with business opportunities.

We have had very good inroads with the Korean Government who wants to establish manufacturing firms in the District of Columbia, particularly in economic development zones. A primary investor is England. We want to make sure we can establish relationships with them a to how we can get them to invest in projects.

SUCCESS OF INTERNATIONAL BUSINESS OFFICE

Mr. WALSH. Has that department not been successful and that is why it is being reduced?

Mr. BROWN. No, I don't think that if fair. The wisdom was that with the financial situation we had overall in the government that we had to look at ways of paring down where we could. We think we will still be able to provide the functions—there was one or two individuals. One is a State Department fellow and we hope to get another fellow so we can use non-appropriated resources. I don't think we are going to lose strength at all.

PROJECTED SAVINGS FROM REALIGNMENT

Mr. WALSH. As you have consolidated those two departments into your office what savings are projected?

Mr. BROWN. Savings of anywhere around $3 million to $4 million as a result of those mergers.

Mr. WALSH. Those are annual operating costs?

Mr. BROWN. Yes, both in terms of rent reductions, non-personal service costs and personal service costs.

ROLE OF MOTION PICTURE OFFICE

Mr. WALSH. What is the Office of Motion Pictures?

Mr. BROWN. Many State agencies have office of this character. It works with every motion picture producer or production facility coming into the District of Columbia that is looking to shoot a film here.

Mr. WALSH. Does that happen a lot?

Mr. BROWN. Yes. In terms of the short-term employment, jobs, in terms of the fees that these companies provide, we estimated, I think, in last fiscal year that we received somewhere, conservatively, $30 million in revenues to the District of Columbia. We are second only to New York and Hollywood in the top three with regard to prime locations.

MUNICIPAL FISH WHARF

Mr. WALSH. The last question relates to a statement that the Mayor made regarding the fish wharf. Apparently in an interview she said that the Congress has basically given the fish wharf away. The city can't raise more revenue and Members on the Hill block us at the wharf and they don't pay full lease because Congress cut the deal and so on. My understanding is the leases were set by a District of Columbia appraiser, who was under contract with the city; is that true?

BACKGROUND ON MUNICIPAL FISH WHARF

Mr. BROWN. Let me give a little history here. The original lease began some time around 1986 for a five-year period. Those leases, I think, called for what was perhaps an annual rate to each of the leaseholders, of which I think there are seven of some $256 or so per lease with a $21,000 annual take on the leases. That lease, I think, had an option for the renewal exercised around 1991.

Part of that agreement also spoke of getting appraisals both from the city and independent appraisals to determine what would be appropriate value because the leases were somewhat of a subsidized character. Obviously, at the time there was a desire on many parts to have the fishermen there and we entered into a lease that was attractive. The idea on the renewal was to make it more market rate lease situation which would be fair to both parties.

I think those negotiations are still underway. I don't think the fishermen have provided an independent appraisal as part of the agreement. Clearly we are concerned that we have an equitable and fair treatment under the lease terms, and I think that is where we are.

INVOLVEMENT OF CONGRESS

Mr. WALSH. How does the Congress involve itself in that? Maybe the Chairman could tell me.

Mr. DIXON. As I recall, Congress owns the land. It is Federal land that has been placed in the District's hands. Why don't we call on Mr. Malone, the Director of the Department of Housing and Community Development. Could you start from the beginning as though Mr. Walsh knows nothing about it.

Mr. WALSH. I am not sure I need to, but I did ask the question.

Mr. DIXON. I meant it is a very confused situation. Assume that you are talking to the Mayor and explain this issue from the very beginning. Bring us up to this moment.

OVERVIEW OF FISH WHARF ISSUES

Mr. MALONE. Let me start from the beginning. The current lease agreement between the District of Columbia and the fish merchants from Maryland was executed on February 20th. A five-year lease agreement terminated on February 28, 1991. The lease contained an option to extend the lease for an additional five-year period, which is set to expire in 1996. During the period leading up to the extension of the lease the Maryland fish merchants conducted business on the wharf with a limited number of complaints. However, in May of 1990 the Department of Housing and Community Development executed an agreement with a firm to prepare a master plan to assist the District government in the completion of the Southwest area "C" urban renewal plan, with particular emphasis on the comprehensive development of the water front. It included recommended improvements to the municipal wharf area.

Starting with the expiration of the lease, the fish merchants have conducted a negative campaign of mis- and dis-information to discredit the master plan and the District of Columbia government. Mayor Kelly strongly supports the current retail sales of seafood at

the fish wharf and wants it to remain a viable part of the Southwest waterfront. However, the Mayor also wants to promote additional access to the waterfront for increased economic development and expanded recreational opportunities for the residents of the District of Columbia.

The District feels that the current proposed master plan provides the economic and the recreational opportunities to make the waterfront a major tourist attraction and a significant generator of new employment opportunities for District residents.

CURRENT ANNUAL LEASE ON FISH WHARF

The current annual lease rate paid by the Maryland fish merchants is $21,938 annually divided among seven merchants, generating a monthly lease rate in the aggregate for all individuals—a monthly lease rate of $261.16 per month per merchant. This breaks down to $8.71 per day per merchant. An additional annual fee of $6,972 is charged for the freestanding fish-cleaning building that houses Morgan's Seafood, which is about $2.67 per day. There is also a $5.00 per day wharfage fee, making the lease approximately $16.48 per day, per merchant.

As has been previously testified, the Maryland fish merchants have exercised their option to extend the existing lease. However, as part of the option provision the rent for the renewal period was supposed to be increased subject to negotiations. The lease further provided both parties would submit appraisals if a price could not be negotiated.

The District has completed its appraisal. However, the Maryland fish merchants have refused to submit an independent appraisal. Under the current lease rate agreement the Maryland fish merchants pay $205,477 annually in the aggregate in District sales tax. No current merchant operating at the fish wharf has filed withholding taxes, indicating that there are no District residents employed by these fish merchants. Also, only three merchants collect sales taxes because the sale of raw fish or food is not taxable.

The Maryland fish merchants have ignored repeated requests for sales and expense information that will support their contention that they would be forced out of business if they could not continue to operate from their barges at the significantly low lease rates.

SOUTHWEST WATERFRONT MASTER PLAN REPORT

In April of 1993 Mayor Kelly approved the Southwest Waterfront Master Plan Report that recommends a comprehensive phased development of the waterfront. The phasing plan recognizes that the District of Columbia has funding limitations and that the District of Columbia desires to prevent as much disruption to the business owners along the waterfront as possible.

The first phase will improve the promenade area, providing maintenance and rehabilitation to the infrastructure along the waterfront and to prevent any future potential safety problems. This phase will also complete the promenade as originally conceived by the urban renewal plan by building park site 1 adjacent to the fish wharf area. Funding for the first phase is currently available through existing urban renewal funds.

Phase 2 proposes the construction of the land-based retail seafood sales areas in sanitary and environmentally controlled pavilions on the existing municipal fish wharf.

Statements have been made that the proposed improvements to the fish wharf will result in the loss of an historic and colorful open-air fish market. To our knowledge, there are no historic preservation issues associated with the fish merchants' barges. Colorful and open-air are references to signage and fish vending stalls on the barges, elements that could be part of the proposed landslide pavilions.

ORIGIN OF BARGES ON WHARF

The origins of the barges date back to 1976 when the Maryland fish merchants were ordered by the city to remove their sales stalls from the pier due to safety, health and sanitary problems. The fish merchants responded by building two-story structures on barges that housed refrigeration equipment, dormitory spaces and sales areas.

The historic aspect of the wharf and pier was its use as a public landing area where fishermen were able to sell to the waterfront and sell the daily catch to the wholesale and retail buyers. Today, all fish are brought in by refrigerated trucks and the barges are stationary in their locations. The historic public landing aspect of the wharf has disappeared due to the current configuration of the Maryland fish merchants' barges. Today when driving or walking by the pier there is no sense of piers or water but only wall-to-wall buildings on barges.

PROPOSED IMPROVEMENTS

The proposed improvements to the fish wharf area would replace the barges with land-based retail seafood pavilions that would not only be sanitary, environmentally correct and aesthetically pleasing but would also create—and this is the thing that is so important to the Mayor—it would create additional business opportunities for District residents and promote competition which benefits all customers.

The service pier area would also have more recreational activities and allow for those kinds of activities. The implementation of the proposed market improvements would permit the return of the fish wharf area to its historic use as a public boat landing area. The pavilions would be in close proximity to an expanded parking area, thereby eliminating the present chaotic competition between trucks, cars and pedestrians for access to the barges.

The pavilions would also provide an all-weather open-air market with sanitary and environmentally controlled sales and storage areas. In addition, the development of land-based pavilions would eliminate the current problems that plague the fish wharf area: dumping of spoiled fish, accidental spillage of produce and environmentally hazardous materials, discharge of ballast tanks, obnoxious smells during warm weather and inadequate sanitary facilities for the dormitories.

Phase 3 proposes the redesign and reconstruction of the public parks, street side improvements and major pedestrian connections to provide better visibility and accessibility to the water. Phase 4

and 5 are long term related to improving market conditions. These recommended improvements include a new public pier and development of two building sites for commercial use in the Gangplank Marina area flanking a new public open space.

The proposal would visually open the entire waterfront by providing a more direct connection to the water side mall Metro station. That is the gist of where we are.

DISTRICT'S OVERALL PLAN FOR FISH WHARF

Mr. WALSH. So basically you want to get rid of these foreigners from Maryland?

Mr. MALONE. That is not the case, Mr. Walsh. As I pointed out earlier, the Mayor would like to see them stay. It would have to be under different circumstances but the city needs to expand the areas of opportunities not only for recreational activity but also for economic development. It is like having your pond, and I have to go on your land to fish and when I get there I tell you that you can't fish off the land which is your access to the pond.

I think you can see that is a dilemma. We have looked at this and seen that the potential is there. I don't think our current waterfront is going to make any great challenges to Baltimore's Inner Harbor. If you walk there now and look at what is involved, it is clear we need to develop it. Of course, we looked at it from a comprehensive plan looking at the entire waterfront and, as a point of fact, the Wharf is just one part of the five-phase development project, and on that wharf we would like to move the Maryland fish merchants off the water and onto the pavilions, allowing other residents in the District to actually engage in the economic development.

It as clear to us, as I read the numbers, I can understand why there has been this great reluctance to work with us. At $16.82—I would love to be in on that.

PUBLIC ACCESS TO WATERFRONT

Mr. WALSH. Would part of the plan for recreation for District residents and others be the public access to fishing? You can't fish there now because the barges are on the water. Would part of that plan allow D.C. residents and perhaps even Members of Congress to fish off that pier?

Mr. MALONE. I would give them access to fish. That is correct.

Mr. WALSH. You might get my vote.

Mr. MALONE. We may be able to do that.

OWNERSHIP OF WATERFRONT LAND

Mr. WALSH. The land that you are talking about expanding this to, is that also Federal land that is not under lease to the city right now?

Mr. MALONE. That is Federal land.

Mr. WALSH. So the plan would encompass acquiring more Federal land for this venture?

Mr. MALONE. No. We are administering the land. In the first phase of this plan we have to revise and maintain the promenade, for instance. To complete that phase, we should do immediately

since there are preventive maintenance type things, bricks, sidewalks, cement that should be done right away after which time we would turn the promenade over to the Park Service for maintenance. They will not however accept it until such time as the preventive maintenance type of things are take care of.

COOPERATION WITH FEDERAL GOVERNMENT

Mr. BROWN. The waterfront, the southwest waterfront and various other waterfronts that circumscribe the District are often not in the District's hands. They are Federally owned. The extent to which we can enjoy economic development in the city with the limited land mass that we have, we are finding that many of the more attractive sites for economic development are not in our hands. So to the extent to which we receive jurisdiction, either through long-term leases or through at least the ability to control the developments of certain parcels, is the situation we have here. It means coordination with the Federal interest, with Federal agencies and oft times those interests are not always the same.

We have varying constituencies we have to deal with. We are trying to in that matter, not to say we are trying to discourage those fishermen to be there but we do not wish to encourage them to be there in an uneconomical sense for the District. That is the bottom line.

BACKGROUND OF LEASE AGREEMENT

Mr. DIXON. Mr. Walsh, this lease apparently goes back to 1913 when Congress passed a law that turned over the wharf area along with several other parcels of land, including the Eastern Market and the Western Market, to the District government to operate.

SCOPE OF FEDERAL INVOLVEMENT

If I may, what Federal agencies or committees of Congress, if any, are you dealing with?

Mr. MALONE. Actually, this is the only Committee that we have had to deal with. The only other Federal approval—well, approval that we would need on some of the development would be the U.S. Corps of Engineers, the Army Corps of Engineers.

UNWARRANTED CRITICISM OF CONGRESS BY MAYOR

Mr. DIXON. Pursuing Mr. Walsh's questions, what, if any—I am reading from a transcript of an interview where the Mayor clearly says, if this is an accurate transcript, that it was the Congress that cut this deal. Did Congress cut this deal?

Mr. MALONE. Not to commingle issues, under the Urban Renewal Plan early in the 1960s there were lease agreements on the river that are——

Mr. DIXON. Let me give you the exact quote. This is Mayor Kelly speaking on WAMU–FM radio, National Public Radio: "All of the fisherman down there all together pay us $20,000 a year," and that was your statement also. She goes on to say "Congress cut that deal. And so when we try to redesign it, both to have an environmentally safe and also commercially better arrangement, Congress continues to thwart us." That's the end of her quote.

I am not putting you on the hot seat but these comments that keep bashing Congress, well-deserved on many occasions, but totally untrue on other occasions. First of all, I think I understand you as saying that Congress did not cut that deal, if she is referring to the lease. By your testimony just a few minutes ago you talked to that. If this Committee is the only committee that you are dealing with, for a long period of time based on the public witnesses that have come here, mostly those that have a vested interest in remaining near the fish wharf, all we have done is ask for this master plan. So is there anything you would like to add to support the Mayor's comments? Let me ask you that question in the context that we cut the deal with the fishermen and every time the District tries to do something as it relates to the wharf we thwart them.

Mr. BROWN. May I take a stab at that?

Mr. DIXON. Sure, Mr. Brown.

CONTEXT OF MAYOR'S COMMENTS ON FISH WHARF

Mr. BROWN. I certainly would not be one to interpret—let me see if I can provide the context or the sentiment.

Mr. DIXON. Well, her remarks were made in the context of statehood. It sounds as though she is saying first and foremost we have to have statehood. We have to have it. We have to be a part of the Constitution. I would agree with that, but the argument that she uses in this case has nothing to do with anything.

Mr. BROWN. I guarantee the Mayor would never make those kinds of comments if you vote for statehood. Beyond that, there has been—from my limited experience—there has been a lot of rather emotional debate on the fish wharf situation by those who represent the fishermen, the lawyers and others, by Congress, by Members of Congress who have expressed their concerns about whether the District is going to move the fishermen out. So that type of rather aggressive lobbying, if you will, and interest by Members of Congress and others has been unsettling in many ways juxtaposed to our position, which is one of saying we are in a situation that we really want to have a win-win and we are not getting cooperation but what we get is noncooperation by the fishermen themselves and at the same time they are lobbying their colleagues who do have votes, who do have a say in terms of what will happen or not happen to the District of Columbia, who do have a say over our budget.

The Mayor is saying we are trying to return economic parity here, and we have Congress, legitimately so in terms of their interest and their constituency as well, I think that is the sentiment.

TESTIMONY AND LITIGATION REGARDING WHARF

Mr. DIXON. I understand that. But today Mr. Malone has given us the only status report that we have ever had. We have been asking for it for a long period of time. In this case, it happens to be Federal land. So I think the Committee and on all fours, you are talking about Federal land that through some arrangement was turned over to you to operate as a municipal fish wharf and market.

Now—and this comes up every year when we hear public testimony—are there or were there any lawsuits? There is reference made in Mr. Oppmann's testimony that there have been some lawsuits. Are there any lawsuits?

Mr. MALONE. I am aware of one lawsuit that is currently in litigation.

Mr. DIXON. That relates to the lease?

Mr. MALONE. It relates to the lease.

Ms. PARROTT-FONSECA. Well, as of this morning I understand he was suing the Department of Consumer and Regulatory Affairs to get us to enforce maritime laws and our only nexus with the wharf situation is through the licensing of the food vendors and the merchant vendors.

Mr. DIXON. Okay.

Mr. MALONE. I think the other aspect of the litigation that is currently in existence also involves the fact that our Department of Administrative Services attempted to have additional merchants to——

STATUS OF WHARF LEASE

Mr. DIXON. Mr. Malone or Mr. Brown, I am not too clear as to what the status of the lease is. I understand there was a five-year lease entered into with an option of an additional five years with a price to be negotiated. Absent that, both parties would submit appraisals. The first five-year period ended——

Mr. MALONE. In 1991.

Mr. DIXON. 1991. Okay. And the fishermen have exercised their option.

Mr. MALONE. To extend for five additional years.

Mr. DIXON. Which would put them to 1996.

Mr. MALONE. That is correct.

Mr. DIXON. But the price to be paid per year has not been agreed upon?

Mr. MALONE. Option year lease price has not been agreed upon.

Mr. DIXON. This material that I have before me says the lease provides for two five-year periods. The lessee exercised their right to renew in August of 1987 and asked the District at that time to have a new rent determined for the period running from March 1, 1991, through the end of the lease.

Mr. MALONE. They are in the second option year.

Mr. DIXON. But a new price has not been determined.

Mr. MALONE. That is correct.

Mr. DIXON. So they are paying under the old price?

Mr. MALONE. Yes.

Mr. DIXON. What is holding up the determination?

Mr. MALONE. We have not been able to get the fish merchants' attorney to submit an appraisal. I believe the provision in the lease provides that when parties can't agree on what that lease price should be that both would submit independent appraisals. The city has prepared its appraisal but we have not received any word from the Maryland Fish Merchants.

PAYMENTS MADE BY THE FISH MERCHANTS

Mr. DIXON. The lessees assert here that including rent, they pay over $350,000 a year in addition to this $21,000 in wharf frontage for vessels as well as various taxes and other license fees. That is not correct?

Mr. MALONE. That is not correct.

Mr. DIXON. You don't collect sales tax?

Mr. MALONE. We collect $205,000 in sales tax.

Mr. DIXON. I thought you said certain food——

Mr. MALONE. Some of the food is not subject to tax. We collect in the aggregate from them $205,000 in sales tax.

RESOLVING LEASE AGREEMENT PRICE

Mr. DIXON. How soon will the price for the five year option be resolved?

Mr. MALONE. I don't know. I was hoping that the Corporation Counsel would take them back into court for violation of the lease.

TWO LAW SUITS PENDING

Mr. BROWN. The appraisal that the District performed was performed almost a year ago. With respect to the suits, there are already two suits pending, the one Ms. Fonseca mentioned and the other suit, how to deal with the introduction of new users into the wharf. We are in discovery on that matter.

For the fishermen, perhaps if I were in their shoes I would try to keep new users out, to keep the current rates as low as possible and to not negotiate. We have lived up to agreements of the option, done our appraisal, we are ready to negotiate, ready to get to a fair price. We are just waiting for them to come in to do that.

MAYOR'S COMMENTS ON CITY CABLE 16 REGARDING WHARF

Mr. DIXON. OK. Well, the Committee, once again, is just inquiring. We have not prohibited anything; we have not directed anything. We have listened to the public witnesses and each year some member of the Committee inquires about the status of the fish wharf. I see another transcript of a City Cable 16 television program on April 28, 1993. The Mayor, when asked about the fish wharf, says "Those were 'sweet' deals cut by Congress."

Mr. BROWN. I will let the Mayor know that she is being quoted.

Mr. DIXON. My thing is not to pick a fight with the Mayor. I think there are a lot of things we all do wrong, but just to assert something that has no validity and to continue to say it to make a legitimate case about statehood I personally feel detracts from the argument for statehood. She is saying "Yes, they did it"—what about that—yes they did that, too. What about this over here—that also. I think it detracts from the strong nature of arguments for statehood. Obviously on both sides of the aisle this issue has been brought to the forefront because of those that want to stay in the comfortable environment where they are. There are other people who are salivating in the 1990's to do wonderful things. The fish wharf is Federal land. That is a fact that is not in dispute. Until this moment we didn't have anything that was clear.

Mr. Bonilla, I am sorry.

Mr. BONILLA. I am learning a lot here today.

COMPARISON OF ECONOMIC DEVELOPMENT PROGRAMS

Mr. Brown, I am a new member of this committee and a new resident of the District. I would like to ask you in general economic development in the District, how does that compare roughly even to economic development at some of the other neighboring urban areas like Baltimore or Philadelphia? I would think before you answer that this would be a larger attraction than perhaps other areas in this part of the country.

Mr. BROWN. Yes. It is like the Tale of Two Cities, that there are good times and there are bad times when you look at the issue. The good benefits hopefully outweigh some of the constraints. I think the very reason why we look at an expanded convention center beyond the fact that we want to keep up with our sister cities; it is a fact if you look at the population base, we are moving away from being just a government town where the primary employer is the private sector. That means tourism, the hospitality industry, not just because of the monuments and because this is the seat of government but because we have a community and diversity here. It is international city. We think we rank well in the top five cities in terms of attractiveness of the city, the transportation, the airports, the Metro, the environment.

There are a number of qualities that make it attractive for people to visit as well as to stay. Within that, we have certain constraints, including the kind of constraints the Mayor speaks of that gets to some of the issues of statehood, the ability to enjoy a larger tax base, a revenue base based upon a larger income stream in terms of the ability to tax income that is earned here—those are natural constraints—ability to have some autonomy with respect to how we plan and exercise within our own budget. Those constraints redound to the issue of what can we provide in terms of incentives in terms of business, models to finance industrial growth. How can we attract businesses? Those cities that can attract businesses can offer real incentives in terms of employment, assistance and training and hiring, but actual dollar incentives, the ability to serve up land—the land we can serve up that the District owns is limited.

Protracted development of industrial commercial waterfront is in the hands not of the District of Columbia government but more likely in the hands of a Federal agency or a Federal interest. If we can garner those through transfer of jurisdiction or through law to do development is something we have to work to.

IMPACT OF FEDERAL PRESENCE

The Federal presence is good news and bad news. It is important to our livelihood but it also means that there are constraints with respect to the land mass, the cost of real estate and the cost of development. Because of the high tax burden, we also see a lot of our middle income, middle class moving out of the city looking for opportunities, because the cost of living may be less in terms of housing and the tax burden may be less.

LIMITED REVENUE OPTIONS

We have an artificial tax burden because we have to collect revenues on a small population. Notwithstanding that, we have enormous opportunities to build this private sector economy on the basis of tourism and hospitality, to look at other industries like waste management and recycling, like the health industry, how can we take some of these industries and carve them out to meet the demand of the citizens and the neighborhoods and the jobs we create.

ECONOMIC DEVELOPMENT PHILOSOPHY

What we are trying to do is the short and long term. How can we look at industries that are very connected to what Washington, D.C., is about, information technology, waste management, tourism and create jobs at the same time? How do we produce housing units that are affordable, that can bring back middle income? How can we bring back employees to reside here? How can we take public housing and turn it into a new direction in terms of providing housing of the first resort that is livable, that we look at homeownership opportunities, finding ways of making those that are dependent independent, not as clients but as potential workers and producers. That change in attitude is long term but we start by having concrete results. That is the philosophy.

ADVANTAGES TO DISTRICT DEVELOPMENT

Mr. BONILLA. You have an unusual obstacle because of the Federal presence but because of the creative ideas you feel you are ahead of the pack then?

Mr. BROWN. Yes. We have an infrastructure that is enormous that I would challenge anyone in the world in terms of the education level. In terms of you gentlemen being here in the District of Columbia and you living here, more of that can happen.

There is an interest I think in this new administration and what we are trying to achieve. It is an enormous challenge to bring about change. Change is often difficult and painful for anyone. For our citizens, it is difficult. It is change in the midst of economic hard times, domestically and locally.

The Nation has undergone severe economic stresses. Coupled with that and turning the corner and looking at our government from the front end of life, how to educate the population better, provide job training and jobs, deal with the health issue, immunizing our kids and making the dollars that we spend go for their benefit before we have to deal with dollars to house them in prisons and jails, those are paradigm switches tough to deal with.

GOVERNMENT'S ROLE AS FACILITATOR

So we are challenged but we know we have a strong city and its people are prepared I think to make that shift with us as long as we be as open as possible and not view government as the end all but merely as the one that is going to facilitate, that will help steer this boat but not necessarily be the rower in the boat. That is the paradigm we are trying to create.

HISPANIC OUTREACH IN MINORITY BUSINESS DEVELOPMENT

Mr. BONILLA. You refer to the minority business development program. With the greater proportional influx of Hispanics into the District of Columbia, do you adjust proportionally as well your targeted economic development for this particular minority group, and are you seeing more Hispanics coming into the District that can be part of this program?

Mr. BROWN. I think that is an absolute yes. Let me answer it very delicately. We adjust our programs and our priorities to meet the needs of those who have been—who have been unable to afford the largest piece of the pie. That means that we are going to look at not only areas but populations that have been underserved, meaning areas like east of the river, Anacostia, that has been traditionally underserved with heavy unemployment, areas where Latinos and Hispanics occupy, where they are not receiving the benefit of jobs, job training, of housing. We are going to attack that as well.

Where there are commercial areas, where there is unavailability of things like parking or where there may be a need for revitalization of a commercial strip, where there is a need to target business resources both dollars and technical assistance, we will go to those areas and try to shore them up and to bring about change.

I want to be careful about where do we go. We go where there is a need to serve a population that needs to be a part of this government and to be a player in this economy.

BUDGET REQUEST OF HOUSING AND COMMUNITY DEVELOPMENT

Mr. DIXON. Let me put in the record a summary of Mr. Malone's budget. Mr. Malone, who is the Director of the Department of Housing and Community Development, is requesting for fiscal year 1994, $18,929,000 and 46 positions, a net increase of $10,610,000, but a reduction of two positions below the 1993 enacted level. Your total budget for fiscal year 1994 from all sources including Federal, private and Intra-District funds totals $30,561,000, and 243 positions.

Under capital outlay, you are requesting $6,863,500 for six projects and rescissions of $36,500 for three projects. For your fiscal year 1993 supplemental you are requesting a decrease of $339,000 and a reduction of six positions.

PREPARED STATEMENT OF DIRECTOR MALONE

If you have a statement prepared for the record we will put it in at this point.

[The prepared statement referred to follows:]

GOOD AFTERNOON CHAIRMAN DIXON AND MEMBERS OF THE SUBCOMMITTEE ON DISTRICT OF COLUMBIA APPROPRIATIONS. I AM MERRICK T. MALONE, DIRECTOR OF THE DISTRICT OF COLUMBIA DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT. I AM PLEASED TO APPEAR BEFORE YOU TODAY TO PRESENT THE PROPOSED REVISED FISCAL YEAR 1993 APPROPRIATED BUDGET AND FISCAL YEAR 1994 APPROPRIATED BUDGET FOR THE DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT.

MEMBERS OF THE DEPARTMENT'S STAFF WHO ARE SEATED WITH ME AT THE TABLE TODAY ARE:

- JAMES FAGELSON, MANAGER, REAL PROPERTY ACQUISITION AND DISPOSITION BRANCH;

- CLARICE BROWN, COMPTROLLER

THE DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT WAS ESTABLISHED TO ADDRESS THE DISTRICT OF COLUMBIA'S HOUSING AND COMMUNITY DEVELOPMENT NEEDS INCLUDING THE LACK OF AFFORDABLE HOUSING FOR LOW- AND MODERATE-INCOME RESIDENTS, DETERIORATING MULTIFAMILY STRUCTURES, AND BLIGHT. THE DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT (DHCD), IN PARTNERSHIP WITH THE PRIVATE SECTOR, NONPROFITS, LENDING INSTITUTIONS, COMMUNITY BASED ORGANIZATIONS AND RELIGIOUS ORGANIZATIONS FACILITATES THE PRODUCTION OF AFFORDABLE AND ACCESSIBLE HOUSING AND COMMERCIAL DEVELOPMENT OPPORTUNITIES, WHICH FOSTERS NEIGHBORHOOD STABILITY, EMPLOYMENT AND SELF-SUFFICIENCY FOR DISTRICT RESIDENTS. THE WIDE-RANGING PROGRAMS DHCD ADMINISTERS PROVIDES ASSISTANCE FOR THE CONSTRUCTION, REHABILITATION, FINANCING AND PURCHASE OF HOUSING TOGETHER WITH RELATED COMMUNITY AND ECONOMIC DEVELOPMENT ACTIVITIES AND SERVICES. THE PROGRAMS USE LOCAL FUNDS APPROPRIATED BY THE DISTRICT OF COLUMBIA GOVERNMENT AND FEDERAL FUNDS FROM VARIOUS SOURCES.

THE FISCAL YEAR 1994 APPROPRIATED BUDGET REQUEST FOR THE DEPARTMENT IS $18,929,000 AND FORTY-SIX (46) FULL-TIME EQUIVALENT POSITIONS. THIS REQUEST REPRESENTS A NET INCREASE OF $10,610,000 AND A DECREASE OF TWO (2) FULL-TIME EQUIVALENT POSITIONS BELOW THE FISCAL YEAR 1993 APPROVED BUDGET.

THE FY 1994 PROGRAM FUNDING REQUEST IS $15,804,000 WHICH REPRESENTS AN INCREASE OF $10,812,000 OVER THE FISCAL YEAR 1993 APPROVED BUDGET. PROGRAM FUNDING REQUESTS INCLUDE THE FOLLOWING:

- $1,651,000 FOR THE CITYWIDE HOME PURCHASE ASSISTANCE PROGRAM (HPAP), WHICH PROVIDES SECOND TRUST MORTGAGE ASSISTANCE CONSISTING OF DISCOUNT LOANS FOR HOME PURCHASE DOWNPAYMENT AND CLOSING COSTS;

- $360,000 IN CONTRACTUAL SERVICES TO HELP ADMINISTER HPAP;

- $690,000 FOR THE D.C. GOVERNMENT EMPLOYER-ASSISTED HOUSING PROGRAM WHICH PROVIDES DOWN PAYMENT ASSISTANCE TO DISTRICT GOVERNMENT EMPLOYEES. THE DEPARTMENT, IN CONJUNCTION WITH FANNIE MAE, IS THE FIRST LOCALITY TO PROVIDE A MUNICIPAL EMPLOYER-ASSISTED HOMEOWNERSHIP PLAN OF THIS TYPE IN THE NATION;

- $450,000 FOR THE HOMESTEAD HOUSING PRESERVATION PROGRAM;

- $215,000 FOR THE SENIOR CITIZENS' HOME REPAIR AND IMPROVEMENT PROGRAM (SCHRIP);

- $150,000 FOR A GRANT FOR THE WHITMAN WALKER CLINIC, INC., UNDER THE HOUSING FINANCE FOR ELDERLY, DEPENDENT AND DISABLED (HoFEDD), WHICH PROVIDES DEFERRED OR AMORTIZED LOANS FOR THE ACQUISITION, REHABILITATION AND NEW CONSTRUCTION OF HOUSING FOR SPECIAL NEEDS INDIVIDUALS;

- $1,400,000 IN MATCHING FUNDS FOR THE HOME PROGRAM;

- $10,888,000 FOR THE TENANT ASSISTANCE PROGRAM

THE REQUEST FOR STAFF IS $2,222,000 AND FORTY-SIX (46) FULL-TIME EQUIVALENT POSITIONS. THESE FIGURES REPRESENT A DECREASE OF $256,000 AND TWO (2) FULL-TIME EQUIVALENT POSITIONS BELOW THE FISCAL YEAR 1993 APPROVED BUDGET. THE REQUEST ALSO INCLUDES THE FOLLOWING:

- $ 25,000 FOR SUPPLIES;
- $ 103,000 FOR COMMUNICATIONS;
- $ 322,000 FOR BUILDING RENT;
- $ 72,000 FOR OTHER SERVICES AND CHARGES; AND
- $ 381,000 FOR EQUIPMENT AND EQUIPMENT RENTAL.

THE REVISED FISCAL YEAR 1993 APPROPRIATED BUDGET REQUEST FOR THE DEPARTMENT IS $8,658,400 AND FORTY-TWO (42) FULL-TIME EQUIVALENT POSITIONS. THIS REQUEST REFLECTS A NET INCREASE OF $339,000 AND A DECREASE OF SIX (6) FULL-TIME EQUIVALENT POSITIONS FROM THE FISCAL YEAR 1993 APPROVED BUDGET OF $8,319,000 AND FORTY-EIGHT (48) FULL-TIME EQUIVALENT POSITIONS.

THE NET INCREASE OF $339,000 REPRESENTS A DECREASE IN PERSONAL SERVICES FUNDING OF $453,000 AND AN INCREASE IN SELECTED HOUSING PROGRAMS OF $792,000.

THE INCREASE IN FUNDING FOR SELECTED HOUSING PROGRAMS OF $792,000 CONSISTS OF THE FOLLOWING:

- $440,000 FOR WARD 8 HOME PURCHASE ASSISTANCE PROGRAM HAS BEEN REDUCED FROM THE DEPARTMENT;

- FUNDING FOR D.C. GOVERNMENT EMPLOYER-ASSISTED HOUSING IS REDUCED BY $168,000 (FROM $1,000,000 TO $832,000); AND

- DEPARTMENT RECEIVED $1,400,000 IN MATCHING FUNDS FOR THE FEDERALLY FUNDED HOME PROGRAM.

THE FISCAL YEAR 1994 BUDGET AND THE FISCAL YEAR 1993 REVISED APPROPRIATED BUDGET REQUESTS REPRESENT THE MAXIMUM USE OF APPROPRIATED FUNDS REQUIRED TO ADEQUATELY ACHIEVE THE DEPARTMENT'S GOALS AND OBJECTIVES FOR HOUSING AND COMMUNITY DEVELOPMENT IN THE DISTRICT OF COLUMBIA.

I WOULD LIKE TO TAKE THIS OPPORTUNITY TO DISCUSS WHAT DHCD HAS BEEN DOING FROM JANUARY 25, 1992 TO THE PRESENT. WHEN I BEGAN MY TENURE AS DIRECTOR OF DHCD, I WAS KEENLY AWARE THAT CERTAIN CRITICAL ISSUES NEEDED TO BE ADDRESSED AND RESOLVED IMMEDIATELY IF WE WERE TO MAXIMIZE OUR DWINDLING RESOURCES WHILE INCREASING OUR EFFORTS TO FULFILL OUR MISSION.

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1. DEVELOPING A HOUSING STRATEGY:
ONE OF MY FIRST ACTS AS DIRECTOR WAS TO BEGIN FORMULATING A COMPREHENSIVE POLICY FOR HOUSING AND COMMUNITY DEVELOPMENT IN THE DISTRICT. TO ACHIEVE THIS OBJECTIVE, WE HAD TO WORK IN CONJUNCTION WITH OTHER DISTRICT GOVERNMENT AGENCIES, INTERESTED PARTIES SUCH AS LENDERS, DEVELOPERS, COMMUNITY PARTNERS, AND RESIDENTS OF THE DIVERSE COMMUNITIES WITHIN THE CITY.

WE REVIEWED AND EVALUATED ALL OF OUR PROGRAMS AND ONGOING PROJECTS, FUNDING SOURCES AND EXPENDITURES, AS WELL AS PERSONNEL ASSIGNMENTS, STAFFING PATTERNS, AND FUNCTIONS. I FELT IT WAS CRITICAL THAT WE DETERMINE WHETHER WE WERE WISELY INVESTING SHRINKING DISTRICT AND FEDERAL DOLLARS, EFFECTIVELY UTILIZING PERSONNEL, AND FUNCTIONING IN THE MOST EFFICIENT ORGANIZATIONAL STRUCTURE. IN THE PROCESS OF REVIEWING AND EVALUATING OUR PROGRAMS AND PROJECTS, WE ASKED THE FOLLOWING QUESTIONS:

(a) DOES THE PROJECT OR PROGRAM CREATE AND MAINTAIN STABLE AND VIABLE MIXED INCOME NEIGHBORHOODS?
(b) DOES THE PROJECT OR PROGRAM HELP MAINTAIN AND EXPAND THE CITY'S TAX BASE?
(c) DOES THE PROJECT OR PROGRAM ENCOURAGE SELF-SUFFICIENCY?

2. COMPREHENSIVE COMMUNITY DEVELOPMENT:
AS A RESULT OF THE HOUSING STRATEGY, WE BEGAN TO TAKE A COMPREHENSIVE APPROACH TO COMMUNITY DEVELOPMENT IN ORDER TO ENSURE SUCCESS IN ACCOMPLISHING OUR MISSION. EFFECTIVE COMPREHENSIVE COMMUNITY DEVELOPMENT REQUIRES COORDINATED INTEGRATION OF HOUSING NEEDS, HUMAN SERVICES, PUBLIC SAFETY, EDUCATION, JOB TRAINING AND EMPLOYMENT OPPORTUNITIES. IT IS ONLY THROUGH THESE COORDINATED EFFORTS THAT WE AS A CITY CAN HOPE TO MAKE A MEANINGFUL DIFFERENCE IN THE QUALITY OF LIFE FOR OUR RESIDENTS.

AS A RESULT OF OUR REVIEW AND EVALUATION OF PROGRAMS AND ONGOING PROJECTS, WE BEGAN THE REALIGNMENT OF THE DEPARTMENT IN JULY OF 1992. AS OF TODAY, WE ARE CONTINUING TO FINE TUNE CRITICAL STAFFING NEEDS AND FUNCTIONS TO EXECUTE OUR MISSION. THE REALIGNMENT PRODUCED THE FOLLOWING RESULTS:

a. REDUCED THE NUMBER OF DEPUTY DIRECTORS FROM THREE (3) TO ONE (1);
b. CONSOLIDATED THE FIVE (5) BUREAUS INTO ONE (1) ADMINISTRATION OF NEIGHBORHOOD PRESERVATION AND COMMERCIAL DEVELOPMENT;
c. ESTABLISHED THE ADMINISTRATION OF PROGRAM SUPPORT AND ADMINISTRATIVE SERVICES; AND,
d. REDUCED THE OVERALL NUMBER OF DIVISIONS AND OFFICES FROM THIRTY-THREE (33) TO TWELVE (12).

WE ALSO INSTITUTED REQUIREMENTS TO MAXIMIZE USE OF TRAINING AND AVAILABLE TECHNOLOGY TO THE DEPARTMENT BY REQUIRING ALL STAFF TO BECOME PROFICIENT ON THE WANG COMPUTER SYSTEM WHICH WAS AVAILABLE FOR STAFF USE BUT WAS UNDER UTILIZED.

3. PROMOTING PROFESSIONAL PARTNERSHIPS:
CONSISTENT WITH MAYOR KELLY'S COMMITMENT TO WORK IN PARTNERSHIP WITH THE COMMUNITY DEVELOPMENT CORPORATIONS (CDC'S) AND COMMUNITY-BASED ORGANIZATIONS (CBO'S) THAT ARE OUR SUBGRANTEES FOR COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) FUNDS. WE MEET REGULARLY WITH THESE ORGANIZATIONS AS WELL AS WITH OTHER NEIGHBORHOOD GROUPS, NON-PROFIT AND FOR-PROFIT HOUSING DEVELOPERS, AND LENDERS DOING BUSINESS IN THE DISTRICT.

WE BEGAN THESE MEETINGS IN FEBRUARY 1992 FOR THE PURPOSE OF IMPROVING OUR PARTNERSHIP RELATIONS, FINDING A WAY TO WORK COOPERATIVELY TO TAKE ADVANTAGE OF THE WEALTH OF TALENT AND EXPERTISE THAT HAS BEEN DEVELOPED OVER THE YEARS, AND TO DETERMINE HOW TO BEST CHANNEL THESE VALUABLE HUMAN AND FINANCIAL RESOURCES INTO SIGNIFICANT HOUSING AND COMMUNITY DEVELOPMENT. THIS PROCESS HAS REQUIRED SIGNIFICANT CHANGES IN THE PARADIGMS AND CULTURE OF THE DEPARTMENT.

5. TRACKING AND MONITORING:
DURING THE COURSE OF THIS TIME, IT HAS BEEN IMPERATIVE THAT DHCD AGGRESSIVELY TRACK AND MONITOR ALL PROGRAMS AND EXPENDITURES. THAT ALLOWS US TO ENSURE OUR PROGRESSIVE STANCE WITH ALL OF OUR HOUSING AND COMMUNITY DEVELOPMENT PROJECTS, REQUIRING AND ACHIEVING QUALITY EMPLOYEE PERFORMANCE AND ACCOUNTABILITY, FROM BOTH DHCD PERSONNEL AND OUR COMMUNITY PARTNERS. MUCH OF THE YEAR WAS SPENT IN SUCCESSFULLY HAVING THE HUD MORATORIUM LIFTED THAT WAS IMPOSED ON ECONOMIC DEVELOPMENT ACTIVITY AT OBED AND THE SINGLE FAMILY REHABILITATION LOAN PROGRAM. BOTH MORATORIUMS WERE IMPOSED PRIOR TO THE KELLY ADMINISTRATION.

6. PROGRESS WITH DEVELOPMENT AGREEMENTS:
DHCD ALSO ADOPTED A PRO-ACTIVE STANCE WITH DEVELOPERS HOLDING EXCLUSIVE RIGHTS AGREEMENTS (ERA'S) AND LAND DISPOSITION AGREEMENTS (LDA'S) ON REDEVELOPMENT LAND AGENCY (RLA) AND DHCD PARCELS AND SITES. IN AUGUST OF 1992, WE SENT TWENTY-FIVE (25) LETTERS TO ALL OF THE DEVELOPERS WHO WERE NOT IN COMPLIANCE WITH THEIR PARTICULAR ERA'S OR LDA'S. WE REQUESTED SPECIFIC INFORMATION ON THE STATUS OF THE DEVELOPMENT PROJECTS, SUCH AS FINANCING, CONSTRUCTION, AND COMPLETION DATES.

AS A RESULT OF OUR EFFORTS, IN OCTOBER OF 1992, ELEVEN (11) ERA'S AND LDA'S WERE TERMINATED IN CASES WHERE THERE WAS NO SIGNIFICANT DEVELOPMENT PROGRESS. THOSE PARCELS AND SITES HAVE BEEN RETURNED TO THE RLA AND DHCD INVENTORY AND ARE NOW AVAILABLE FOR OTHER DEVELOPMENT PROPOSALS TO BE REVIEWED AND ACCEPTED.

THE REMAINING FOURTEEN (14) AGREEMENTS WERE RESTRUCTURED TO INCLUDE CARRYING AND MAINTENANCE COSTS TO COVER ANY ADDITIONAL DELAYS. IN MOST INSTANCES, THESE CRITICAL COSTS WERE OMITTED FROM THE ORIGINAL AGREEMENTS. BY THIS AGGRESSIVE APPROACH, WE ANTICIPATE NO FURTHER DEVELOPMENT DELAYS. THIS WAS A MAJOR UNDERTAKING FOR THE DEPARTMENT.

WHILE THE DEPARTMENT WAS EVALUATING PROGRAMS, RESTRUCTURING AND REALIGNING, AND PROVIDING RESOURCES TO CDC'S AND CBO'S, WE ALSO FOUND TIME TO DO THE FOLLOWING:

1. BROKE GROUND AND/OR CUT RIBBONS ON FOURTEEN (14) PROJECTS, NOTABLY THE FOLLOWING:

   * WHITELAW, (WARD 2), WITH 35 UNITS OF HOUSING FOR RENT AND SALE;
   * PARTNER ARMS (WARD 4), WITH 14 UNITS OF TRANSITIONAL HOUSING;
   * WARD 5 HOUSING FOR HOMELESS, WITH 12 BEDS;
   * GIRARD STREET COOPERATIVE, WARD 1, WITH 15 UNITS;
   * PARKCHESTER COOPERATIVE, WARD 8, WITH 128 UNITS;
   * KNOX HILL VILLAGE TOWNHOUSES, WARD 8, WITH 142 TOWNHOUSES;
   * 706 BRANDYWINE ST., S. E, (WARD 8), A TEN (10) UNIT COOPERATIVE;
   * D. C. HABITAT FOR HUMANITY, WARD 7, WITH 10 NEW SINGLE FAMILY HOMES; AND,
   * NATIONAL BAPTIST CONVENTION'S HOUSING BOARD PROJECT IN WARD 4, WITH 40 UNITS FOR THE DISABLED.

2. DRAFTED, SUBMITTED TO THE COUNCIL AND PUBLISHED THE FINAL RULES FOR THE D. C. GOVERNMENT EMPLOYER-ASSISTED HOUSING PROGRAM. THIS PROGRAM IS THE FIRST LOCAL PROGRAM OF ITS KIND IN THE NATION AND WAS IMPLEMENTED IN JANUARY 1993. I AM PLEASED TO REPORT TODAY WE HAVE CLOSED ON TEN (10) LOANS UNDER THIS PROGRAM.

3. REOPENED THE HPAP WINDOW FOR NEW APPLICATIONS IN OCTOBER 1992, AND ISSUED 292 CERTIFICATES OF ELIGIBILITY TO DATE. WE ALSO HELD A ONE-TIME ONLY LOTTERY, ON FEBRUARY 5, 1992, TO ADDRESS THE LIST OF 5000 CALLERS WHO WANTED TO APPLY DURING THE LIMITED OPENING OF THE PROGRAM DURING FEBRUARY 1992. AFTER THE SCREENING PROCESS WAS COMPLETED BY DC LDC, WE HAD 257 ELIGIBLE PARTICIPANTS FOR THE LOTTERY. OF THAT NUMBER, THERE WERE 137 LOTTERY WINNERS, WITH 60 ALTERNATES, WHO HAVE 60 DAYS TO SIGN SALES CONTRACTS.

4. HELD THE HOMESTEAD LOTTERY IN JULY 1992, AND NINE (9) HOMESTEADERS WERE AWARDED EIGHT (8) HOUSES AND A FOUR (4) UNIT APARTMENT BUILDING. WE ALSO AWARDED TWELVE (12) PROPERTIES TO NON-PROFITS INCLUDING MANNA (4), MARSHAL HEIGHTS CDC (2), ARCH (1), D. C. HABITAT FOR HUMANITY (4), ST. AUGUSTINE CHURCH (1), AND HOPE HOUSING (1).

ALSO, WE HAVE IDENTIFIED CONCRETE GOALS AND OBJECTIVES WE PLAN TO ACHIEVE IN FISCAL YEAR 1993 AND FISCAL YEAR 1994. THE APPROPRIATED BUDGET REQUEST WILL BE NECESSARY FOR DHCD TO CARRY OUT ITS MISSION.

I REALIZE THAT IN PAST YEARS THIS COMMITTEE HAS EXPRESSED SIGNIFICANT CONCERN REGARDING THE ACTIVITIES AFFECTING THE MARYLAND FISH MERCHANTS LOCATED ON THE MUNICIPAL FISH WHARF IN SOUTHWEST WASHINGTON AND, RECENTLY, I BECAME AWARE THAT YOU MAY ALSO HAVE QUESTIONS CONCERNING THE ROSEDALE APARTMENTS.

I WOULD LIKE TO TAKE THIS OPPORTUNITY TO ADDRESS EACH OF THESE PROJECTS STARTING WITH THE FISHERMAN'S WHARF.

THE CURRENT LEASE AGREEMENT BETWEEN THE DISTRICT OF COLUMBIA AND THE FISH MERCHANTS FROM MARYLAND WAS EXECUTED ON FEBRUARY 20, 1986. THE FIVE-YEAR LEASE AGREEMENT WHICH TERMINATED ON FEBRUARY 28, 1991 CONTAINED AN OPTION (WHICH THE FISH MERCHANTS EXERCISED) TO EXTEND THE LEASE FOR AN ADDITIONAL FIVE-YEAR PERIOD BEGINNING MARCH 1, 1991.

DURING THE PERIOD LEADING UP TO THE EXTENSION OF THE LEASE, THE MARYLAND FISH MERCHANTS CONDUCTED BUSINESS ON THE WHARF WITH A LIMITED NUMBER OF COMPLAINTS TO CITY OFFICIALS. IN MAY 1990, THE D.C. DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT (DHCD) EXECUTED AN AGREEMENT WITH THE FIRM OF SASAKI ASSOCIATES TO PREPARE A MASTER PLAN TO ASSIST THE DISTRICT GOVERNMENT IN THE COMPLETION OF THE SOUTHWEST AREA "C" URBAN RENEWAL PLAN, WITH PARTICULAR EMPHASIS ON THE WATERFRONT INCLUDING RECOMMENDED IMPROVEMENTS TO THE MUNICIPAL FISH WHARF AREA. STARTING WITH THE EXPIRATION OF THEIR LEASE AND THE DEVELOPMENT OF PLANS FOR THE WATERFRONT AREA, THE FISH MERCHANTS HAVE CONDUCTED A NEGATIVE CAMPAIGN OF MIS AND DISINFORMATION IN ORDER TO DISCREDIT THE MASTER PLAN AND THE DISTRICT OF COLUMBIA GOVERNMENT THROUGH THE USE OF THE FALSE INFORMATION, INNUENDOS, AND FALSE ACCUSATIONS IN THE PRESS AND TO CONGRESS.

I WOULD LIKE TO EMPHATICALLY STATE THAT THE DISTRICT OF COLUMBIA AND MAYOR SHARON PRATT KELLY STRONGLY SUPPORT THE CURRENT RETAIL SALES OF SEAFOOD AT THE FISH WHARF AND WANT IT TO REMAIN A VIABLE PART OF THE SOUTHWEST WATERFRONT. HOWEVER, THE DISTRICT AND THE MAYOR ALSO WANTS TO PROMOTE ADDITIONAL ACCESS TO THE WATERFRONT FOR INCREASED ECONOMIC DEVELOPMENT AND EXPANDED RECREATIONAL OPPORTUNITIES FOR THE RESIDENTS OF THE DISTRICT OF COLUMBIA. THE DISTRICT FEELS THAT THE CURRENT PROPOSED MASTER PLAN PROVIDES THE ECONOMIC AND RECREATIONAL OPPORTUNITIES TO MAKE THE WATERFRONT A MAJOR TOURIST ATTRACTION AND A SIGNIFICANT GENERATOR OF NEW EMPLOYMENT OPPORTUNITIES FOR DISTRICT RESIDENTS.

THE CURRENT ANNUAL LEASE RATE PAID BY THE MARYLAND FISH MERCHANTS IS $21,938 ANNUALLY, DIVIDED AMONG SEVEN MERCHANTS, GENERATING A MONTHLY LEASE RATE OF $261.16 PER MONTH PER MERCHANT. AN ADDITIONAL ANNUAL FEE OF $6,972 IS CHARGED FOR THE FREE STANDING FISH CLEANING BUILDING THAT HOUSES MORGAN'S SEAFOOD.

AS PREVIOUSLY TESTIFIED, THE MARYLAND FISH MERCHANTS HAVE EXERCISED THEIR OPTION TO EXTEND THE EXISTING LEASE, HOWEVER, AS PART OF THE OPTION, THE RENT FOR THE RENEWAL PERIOD, THAT STARTED ON MARCH 1, 1991, WAS TO HAVE BEEN DETERMINED BY THE PARTIES AND BASED UPON THE APPRAISED VALUE OF THE PROPERTY.

THE DISTRICT HAS COMPLETED ITS APPRAISAL, HOWEVER, THE NEW LEASE RATE HAS NOT BEEN SET DUE TO THE MARYLAND FISH MERCHANTS'S RECALCITRANCE AND REFUSAL TO OBTAIN THEIR OWN INDEPENDENT APPRAISAL. THE REFUSAL OF THE MARYLAND FISH MERCHANTS TO SUBMIT THEIR APPRAISAL IS A VIOLATION OF THE CURRENT LEASE AGREEMENT AND IS INDICATIVE OF THE ERRANT BEHAVIOR AND LACK OF GOOD FAITH THAT THE MARYLAND FISH MERCHANTS HAVE DEMONSTRATED THROUGHOUT THE CURRENT NEGOTIATIONS.

IN ADDITION TO THE CURRENT LEASE RATE, THE MARYLAND FISH MERCHANTS PAY $205,477 ANNUALLY IN DISTRICT SALES TAXES. NO CURRENT MERCHANT, OPERATING AT THE FISH WHARF, HAS FILED WITHHOLDING TAXES, INDICATING THAT THERE ARE NO DISTRICT RESIDENTS EMPLOYED ON THE FISH WHARF. ALSO, ONLY THREE MERCHANTS COLLECTED SALES TAXES BECAUSE THE SALE OF RAW FISH OR FOOD IS NOT TAXABLE.

THE MARYLAND FISH MERCHANTS HAVE IGNORED REPEATED REQUESTS FOR SALES AND EXPENSE INFORMATION THAT WOULD SUPPORT THEIR CONTENTION THAT THEY WOULD BE FORCED OUT OF BUSINESS IF THEY COULD NOT CONTINUE TO OPERATE FROM THEIR BARGES AT THE SIGNIFICANTLY REDUCED LEASE RATES.

IN APRIL OF 1993, MAYOR KELLY APPROVED THE SOUTHWEST WATERFRONT MASTER PLAN REPORT THAT RECOMMENDS A PHASED DEVELOPMENT. THE PHASING PLAN RECOGNIZES THAT THE DISTRICT OF COLUMBIA HAS FUNDING LIMITATIONS AND THAT THE DISTRICT DESIRES TO PREVENT AS MUCH DISRUPTION TO THE BUSINESS OWNERS ALONG THE WATERFRONT AS POSSIBLE.

THE FIRST PHASE WILL IMPROVE THE PROMENADE AREA, PROVIDING MAINTENANCE AND REHABILITATION TO THE CURRENT INFRASTRUCTION ALONG THE WATERFRONT, AND PREVENTING FUTURE POTENTIAL SAFETY PROBLEMS. THIS PHASE WILL ALSO COMPLETE THE PROMENADE, AS ORIGINALLY CONCEIVED BY THE URBAN RENEWAL PLAN, BY BUILDING PARK SITE NUMBER 1 ADJACENT TO THE FISH WHARF AREA. FUNDING FOR THE FIRST PHASE IS CURRENTLY AVAILABLE THROUGH EXISTING URBAN RENEWAL FUNDS. THIS PHASE CAN PROCEED IMMEDIATELY. PHASE TWO PROPOSES THE CONSTRUCTION OF LAND BASED RETAIL SEAFOOD SALES AREAS IN SANITARY AND ENVIRONMENTALLY CONTROLLED PAVILIONS ON THE EXISTING MUNICIPAL FISH WHARF.

STATEMENTS HAVE BEEN MADE THAT THE PROPOSED IMPROVEMENTS TO THE FISH WHARF WOULD RESULT IN THE LOSS OF AN HISTORIC AND COLORFUL OPEN-AIR FISH MARKET.

TO OUR KNOWLEDGE THERE ARE NO HISTORIC PRESERVATION ISSUES ASSOCIATED WITH THE FISH MERCHANTS BARGES. COLORFUL AND OPEN-AIR ARE REFERENCES TO SIGNAGE AND FISH VENDING STALLS ON THE BARGES, ELEMENTS THAT COULD BE PART OF THE PROPOSED LANDSIDE PAVILIONS.

THE ORIGINS OF THE BARGES DATES BACK TO 1976 WHEN THE MARYLAND FISH MERCHANTS WERE ORDERED BY THE CITY TO REMOVE THEIR SALES STALLS FROM THE PIERS DUE TO SAFETY, HEALTH AND SANITARY PROBLEMS. THE FISH MERCHANTS RESPONDED BY BUILDING TWO STORY STRUCTURES ON BARGES THAT HOUSED REFRIGERATION EQUIPMENT, DORMITORY SPACES AND SALES AREAS.

THE HISTORIC ASPECT OF THE WHARF/PIERS WAS ITS USE AS A PUBLIC LANDING AREA WHERE FISHERMEN WERE ABLE TO SAIL TO THE WATERFRONT AND SELL THEIR DAILY "CATCH" TO WHOLESALE AND RETAIL BUYERS. TODAY, ALL FISH ARE NOW BROUGHT IN BY REFRIGERATED TRUCKS AND THE BARGES ARE STATIONARY IN THEIR CURRENT LOCATIONS.

THE HISTORIC PUBLIC LANDING ASPECT OF THE WHARF HAS DISAPPEARED DUE TO THE CURRENT CONFIGURATION OF THE MARYLAND FISH MERCHANT'S BARGES. TODAY, WHEN DRIVING OR WALKING BY THE MUNICIPAL FISH WHARF, THERE IS NO SENSE OF PIERS OR WATER BUT ONLY WALL TO WALL BUILDINGS ON BARGES.

THE PROPOSED IMPROVEMENTS TO THE FISH WHARF AREA WOULD REPLACE THE BARGES WITH LAND-BASED RETAIL SEAFOOD PAVILIONS THAT WOULD BE NOT ONLY SANITARY, ENVIRONMENTALLY CORRECT AND AESTHETICALLY PLEASING, BUT ALSO WOULD CREATE ADDITIONAL BUSINESS OPPORTUNITIES FOR DISTRICT RESIDENTS AND EXPAND COMPETITION TO THE BENEFIT OF ALL CUSTOMERS. THE SERVICE PIER AREA ON THE NORTHERN WHARF WOULD INCLUDE FISH CLEANING AND ENVIRONMENTALLY CONTROLLED TRASH STORAGE. A PUBLIC PIER EXTENSION TO THE SOUTHERN WHARF WOULD CREATE A PUBLIC LANDING AREA FOR THE SHORT TERM DOCKING OF VISITING RECREATIONAL BOATS.

IMPLEMENTATION OF THE PROPOSED MARKET IMPROVEMENTS WOULD ALLOW THE RETURN OF THE FISH WHARF AREA TO THE HISTORIC USE THAT IT ORIGINALLY HAD: A PUBLIC BOAT LANDING AREA. THE PAVILIONS WOULD BE IN CLOSE PROXIMITY TO AN EXPANDED PARKING AREA THEREBY ELIMINATING THE PRESENT CHAOTIC COMPETITION BETWEEN TRUCKS, CARS AND PEDESTRIANS FOR ACCESS TO THE BARGES. THE PAVILIONS WOULD ALSO PROVIDE AN ALL-WEATHER OPEN-AIR MARKET WITH SANITARY AND ENVIRONMENTALLY CONTROLLED SALES AND STORAGE AREAS. IN ADDITION, THE DEVELOPMENT OF LAND BASED PAVILIONS WOULD ELIMINATE THE CURRENT PROBLEMS THAT PLAGUE THE FISH WHARF AREA: DUMPING OF SPOILED FISH, ACCIDENTAL SPILLAGE OF PRODUCE AND ENVIRONMENTALLY HAZARDOUS MATERIALS, DISCHARGE OF BALLAST TANKS, OBNOXIOUS SMELLS DURING WARM WEATHER AND INADEQUATE SANITARY FACILITIES FOR THE DORMITORIES.

PHASE THREE PROPOSES THE REDESIGN AND RECONSTRUCTION OF THE PUBLIC PARKS, STREETSIDE IMPROVEMENTS AND MAJOR PEDESTRIAN CONNECTIONS TO PROVIDE BETTER VISIBILITY AND DIRECT ACCESS TO THE WATER. PHASES FOUR AND FIVE ARE CONSIDERED LONG TERM IMPROVEMENTS RELATED TO IMPROVE MARKET CONDITIONS. RECOMMENDED IMPROVEMENTS INCLUDE A NEW PUBLIC PIER AND DEVELOPMENT OF TWO BUILDING SITES FOR COMMERCIAL USES IN THE GANGPLANK MARINA AREA FLANKING A NEW PUBLIC OPEN SPACE. THE PROPOSAL WOULD VISUALLY OPEN THE ENTIRE WATERFRONT BY PROVIDING A MORE DIRECT CONNECTION TO THE WATERSIDE MALL METRO STATION.

WITH YOUR PERMISSION, I WOULD LIKE TO ADDRESS SEVERAL ISSUES THAT HAVE SURFACED CONCERNING THE ROSEDALE APARTMENTS, LOCATED AT 17TH AND D STREETS, N.E.

ON OCTOBER 21, 1987, MR. DANIEL BUTLER, IN PARTNERSHIP WITH TWO OTHER DEVELOPERS, RECEIVED TENTATIVE DESIGNATION AS THE DEVELOPERS OF THE 36 UNIT ROSEDALE APARTMENTS. FROM OCTOBER 1987 UNTIL APRIL 1992, THE DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT WORKED DILIGENTLY WITH MR. BUTLER AND HIS VARIOUS DEVELOPMENT TEAMS TO DEVELOP THE ROSEDALE APARTMENTS. DURING THAT FIVE YEAR PERIOD OF TIME, MR. BUTLER SUBMITTED FIVE DIFFERENT PROPOSALS AND TEAMED UP AND DISSOLVED SIX DIFFERENT PARTNERSHIPS. ON APRIL 29, 1992, THE DEPARTMENT TERMINATED, FOR THE THIRD TIME, THE EXCLUSIVE RIGHT AGREEMENT THAT PERMITTED MR. BUTLER TO DEVELOP THE ROSEDALE APARTMENTS.

ON AUGUST 11, 1992, THE DEPARTMENT MET WITH CITIZENS OF THE ROSEDALE NEIGHBORHOOD WHO HAD COMPLAINTS ABOUT THE HAZARDOUS CONDITIONS OF THE BUILDING AND INDICATED THAT THE PROPERTY ALSO HARBORED CRIMINAL ACTIVITY. AFTER FIVE YEARS OF WAITING FOR MR. BUTLER TO DEVELOP THE ROSEDALE APARTMENTS AND WITNESSING ONE FALSE START AFTER ANOTHER, THE COMMUNITY DEMANDED THAT THE DEPARTMENT DEMOLISH THE BUILDING AND PROMPTLY DEVELOP THE SITE.

IN AN EFFORT TO ALLOW MR. BUTLER ONE MORE CHANCE, THE DEPARTMENT, ON SEPTEMBER 4, 1992, ALLOWED MR. BUTLER TO SUBMIT HIS SIXTH UNSOLICITED PROPOSAL WHICH PROPOSED TO PURCHASE THE SITE AT NO COST FOR THE DEVELOPER AND CONSTRUCT 15 MODULAR TOWNHOUSES. THE PROPOSAL WAS BASED UPON ANY LAND COST REQUIRED BY THE DEPARTMENT BEING A SOFT SECOND DEED OF TRUST TO THE FUTURE PURCHASERS AND THAT THE DEPARTMENT GUARANTEE THE CONSTRUCTION LOAN. IN THE EVENT THAT ANY UNITS REMAINED UNSOLD AFTER ONE YEAR, THE DEPARTMENT WAS TO PURCHASE THE REMAINING HOMES.

IN ADDITION, THE PROPOSAL STATED THAT THE DEPARTMENT WAS TO PROVIDE APPROXIMATELY $715,000 IN INFRASTRUCTURE FUNDS FOR THE DEVELOPMENT OF THE PROJECT. THE DEPARTMENT REJECTED THE UNSOLICITED PROPOSAL BECAUSE IT WAS NOT TO THE BEST INTEREST OF THE CITY.

ON OCTOBER 29, 1992, THE DEPARTMENT WAS INFORMED THAT THE ROSEDALE APARTMENTS HAD NUMEROUS PROBLEMS: SQUATTERS; FIRE AND HEALTH HAZARDS; AND ILLEGAL DRUG USE. ON DECEMBER 9, 1992, THE DEPARTMENT COMMENCED THE DEMOLITION OF THE ROSEDALE APARTMENTS.

ON JANUARY 25, 1993 THE DEPARTMENT MET WITH MR. BUTLER'S ATTORNEY TO INFORM THEM THAT A REQUEST FOR PROPOSAL (RFP) FOR THE DEVELOPMENT OF THE ROSEDALE APARTMENTS WOULD BE ISSUED SHORTLY AND THAT ANY DEVELOPER WHO HAD AN INTEREST COULD SUBMIT A PROPOSAL. THE DEPARTMENT ALSO INDICATED THAT ANY PROPOSAL WOULD HAVE TO BE SUBMITTED TO THE CITY COUNCIL FOR APPROVAL UNDER THE SURPLUS PROPERTY ACT.

THE DEPARTMENT INDICATED THAT THERE IS A LIMITATION OF 2 YEARS ON AN APPROVED DEVELOPMENT AND THAT MR. BUTLER'S SUBMISSION WAS APPROVED BY COUNCIL ON FEBRUARY 14, 1991, AND WOULD EXPIRE ON FEBRUARY 14, 1993. IN FEBRUARY THE DEPARTMENT RESTATED ITS INTENTION TO DISPOSE OF THE PROPERTY COMPETITIVELY.

THE RFP WAS ISSUED ON APRIL 2, 1993, WITH THE DEADLINE FOR SUBMISSION BEING MAY 21, 1993. THE DEPARTMENT RECEIVED ONE DEVELOPMENT PROPOSAL IN RESPONSE TO THE RFP. MR. BUTLER DID NOT SUBMIT A PROPOSAL.

I HAVE ATTACHED A COMPLETE CHRONOLOGY OF EVENTS AS THEY RELATE TO THE DEVELOPMENT OF THE ROSEDALE APARTMENTS.

AT THIS TIME MY STAFF AND I ARE AVAILABLE TO RESPOND TO ANY QUESTIONS THAT YOU MAY HAVE.

SUBJECT : Rosedale Apartments - Chronology of Events

A chronology of events relating to the development of the Rosedale Apartments, located at 413-429 17th Street, N.E., is as follows:

1. October 21, 1987 - The Rosedale Limited Partnership was tentatively designated to develop the 36 unit DHCD-owned Rosedale Apartments. Their proposal was in response to a Request For Proposals (RFP) issued by the Department.

2. November 2, 1987 - Developer requested a 30-day extension of time in order to submit the required Good Faith Deposit.

3. December 1, 1987 - Developer requests another 15-day extension of time in order to submit the required Good Faith Deposit.

4. December 11, 1987 - One of the three original partners withdraws from the partnership.

5. February 1, 1988 - DHCD Director sets final deadline of February 12, 1988 for Good Faith Deposit.

6. February 12, 1988 - Received Good Faith Deposit and a revised Partnership Agreement for the original three partners.

7. March 1, 1988 - Letter sent to Partnership advising that the new Agreement was not acceptable to DHCD.

8. March 16, 1988 - Second member of Partnership withdraws.

9. April 1, 1988 - Time extended to May 31, 1988 to hold a public hearing. Total extensions of time are now 103 days. April 25th deadline set for submitting all required documents needed to set May 31, 1988 date for public hearing.

10. April 25, 1988 - Public hearing documents not received. First member of partnership states verbally he is withdrawing from the Partnership.

11. May 13, 1988 - Partnership's Attorney states that the required documents were sent to the Director's office on April 25, 1988.

12. May 16, 1988 - Received April 25th letter with attachments.

13. May 19, 1988 - Official letter from first partner stating that he is withdrawing.

14. May 20, 1988 - Letter to Butler listing documents that were not submitted.

15. May 31, 1988 - Letter from Butler stating he has met all requirements.

16. June 21, 1988 - DHCD received a note from the Special Assistant to the Deputy Mayor for Economic Development advising that Mr. Butler had requested a meeting with the Mayor's Chief of Staff regarding the subject property.

17. June 22, 1988 - After several extensions of time, Rosedale Limited Partnership (Mr. Daniel Butler) was terminated as developer due to the group's nonsubmittal of required documents, and the dissolution of the Partnership.

18. July 7, 1988 - DHCD Director and staff met with Mr. Butler and his proposed new development team. Butler was authorized to submit a new proposal.

19. September 1988 - New Partnership requests additional time to explore the marketability of $98,000 condominiums.

20. September 1988 - New Partnership dissolves.

21. October 6, 1988 - Received letter from one of the original partners requesting to move forward with development of the Rosedale Apartments.

22. November/December 1988 - Completed review of new proposal of the Rosedale Apartments. New Partnership is formed between Mr. Butler and one of the original partners. The proposal provided all rental units (formerly ownership). The proposal would have thirty-two (32) two-bedroom units, with a total development cost of $1.2 million. The Partnership sought a $200,000 Site Improvement Grant from DHCD.

23. January 1989 - Letter sent to Managing General Partner, carbon to Mr. Butler, regarding proposed terms and conditions of a sale of the Rosedale property.

24. February 1989 - Received letter from Butler informing DHCD of his intention to move forward with the Rosedale project.

25. February 1989 - Letter to Butler outlining DHCD's concern regarding his partner's outstanding debt to the Department which must be resolved.

26. February 1989 - Status report prepared from the Director to the Mayor regarding the project.

27. February 1989 - Letter from developer requesting a meeting to discuss the project and his outstanding debt. The Partnership appears to have dissolved and each partner is pursuing the project independently.

28. April 1989 - Meeting held with both partners. DHCD gave developers 30 days to resolve differences and submit unsolicited proposal using DHCD guidelines.

29. May 1989 - DHCD deadline passes with no movement by either partner.

30. May 18, 1989 - Meeting held with partners One would like to proceed, however Mr. Butler does not.

31. June 1989 - Letter to partners included guidelines for submitting unsolicited proposal to DHCD. Each partner to submit individual proposals by July 7, 1989.

32. July/August 1989 - Received two proposals, one each from person (one for rental units the other for owner-occupants) by July 7, 1989 deadline. Staff completed detailed evaluations of each proposal during July and August.

33. September 1989 - Met with Capitol Hill Condominiums entity (headed by Mr. Butler), accompanied by partners to discuss homeownership proposal; selected cost items and additional data required by DHCD staff.

34. November 1989 - Butler formed a Joint Venture, Capital Hill/17th Street Limited Partnership Joint Venture, with new partner.

35. December 1989 - DHCD and Capitol Hill/17th Street Limited Partnership Joint Venture entered into an Exclusive Right Agreement.

36. January/April 1990 - Required documents under ERA were submitted for DHCD review and approval.

37. May 1990 - Joint Venture was required by DHCD to justify unit sales cost by providing a market analysis.

38. June 1990 - Unit cost were reduced by the Joint Venture; DHCD complied with the Surplus Property Act and submitted a package to Council for their 90-day review.

39. November 1990 - Mr. Butler's partner withdraws from the Joint Venture.

40. February 14, 1991 - Due to no action being taken by the D.C. Council, disposition under Surplus Property was approved.

41. March 1991 - DHCD terminates the ERA with Capitol Hill/17th Street Limited Partnership.

42. June 1991 - Deputy Mayor for Economic Development allowed Mr. Butler to resubmit an unsolicited proposal by August 3, 1991.

43. July 1991 - An unsolicited proposal was submitted by CHC General Partnership, composed of Daniel Butler and a new partner.

44. January 1992 - DHCD entered into an Exclusive Right Agreement with CHC General Partnership.

45. February 1992 - New partnership dissolves.

46. April 29, 1992 - DHCD terminated the ERA with CHC General Partnership.

47. June 9, 1992 - DHCD met with Mr. Butler to discuss an unsolicited proposal submission.

48. August 11, 1992 - DHCD met with approximately 100 citizens of the Rosedale neighborhood who had complaints about the hazardous condition of the building, indicating that the property also harbored criminal activity. Community demanded that DHCD demolish the building and promptly develop the site.

49. Sep. 4, 1992 - Mr. Butler submitted an unsolicited proposal.

50. Oct. 29, 1992 - DHCD rejected the unsolicited proposal.

51. Oct. 29, 1992 - Real Estate Services Branch is informed that an Inspector from DCRA has advised DHCD that the Rosedale Apartments has numerous problems: squatters; fire and health hazards; illegal drug use, etc.

52. Nov. 5, 1992 - Request for Mayor's approval to contract for the demolition of the Rosedale Apartment building.

53. Dec. 7, 1992 - DHCD met with Mr. Butler to discuss a development concept.

54. Dec. 9, 1992 - Demolition of Rosedale Apartment building commenced.

55. Jan. 25, 1993 - DHCD met with Butler's attorney to indicate that DHCD will entertain all unsolicited proposals (including Mr. Butler's), and that any proposal must be submitted to City Council for approval under Surplus Property. DHCD indicates that there is a limitation of 2 years for an approved resolution under surplus property. (Butler's 1989 submission was approved by Council on Feb. 14, 1991, which expired on Feb. 14, 1993).

56. Feb. 22, 1993 - DHCD states its intension to dispose of the property competitively; DHCD will issue a Request For Proposals shortly.

57. April 2, 1993 - DHCD issued a RFP for Rosedale development.

58. May 21, 1993 - DHCD received one development proposal in response to the RFP. Mr. Daniel Butler did not submit a proposal.

Department of Housing and Community Development

Agency Overview

Mission

The mission of the Department of Housing and Community Development is to: 1) create and maintain stable and viable mixed income neighborhoods, 2) maintain and expand the city's tax base and 3) encourage self-sufficiency in its housing programs and policies, for the benefit of District of Columbia residents by leveraging public dollars for private financing and resources.

Agency Description

The Department of Housing and Community Development was realigned effective June 24, 1992. The realignment will provide a clearer picture to the residents and businesses of the activities and programs of the Department. The realignment reduced the number of deputy directors from three to one and the bureaus and offices from twelve to two.

The Department achieves its mission through various programs which receive funds from both District appropriations and federal grants, such as the Community Development Block Grant (CDBG). The programs provide affordable, safe, and sanitary housing by assisting low and moderate income residents to purchase single family and multifamily homes and to rehabilitate existing housing stock. Funds are also used creatively to stimulate private investments in neighborhood revitalization. The work of the Department is carried out through the following major programs:

- The Citywide Home Purchase Assistance Program (HPAP), designed to expand homeownership opportunities for low and moderate-income residents citywide.

- The newly established District of Columbia Government Employer-Assisted Housing Program designed to expand homeownership opportunities for first-time homebuyers employed by the District Government.

- The Senior Citizen's Home Repair and Improvement Program provides loans of up to $5,000 to lower income senior citizen homeowners.

- The Housing Finance for the Elderly, Dependent, and Disabled Program (HoFEDD) provides funds to the Whitman Walker Clinic, Inc. which operates the Schwartz Housing Services Program. The Whitman Walker Clinic provides counseling, testing, housing and health care for persons with AIDS.

- The Homestead Housing Preservation Program returns vacant housing units back into occupancy and increases the District's real property tax base.

- The National Affordable Housing Act of 1990 established the HOME program which provides cities and the states a significant opportunity to conduct a wide range of low-income housing activities to increase the supply of decent, affordable housing for low and moderate income families. Emphasis is on rental housing and building partnerships between the

federal, state and local governments and private sector to carry out affordable housing programs. Local jurisdictions provide matching funds (ranging from 25% to 50%) to receive federal HOME dollars.

- In FY 1994 it is proposed that the Tenant Assistance Program (TAP) be transferred to this agency from the Department of Public and Assisted Housing. This program aids lower income families and individuals in obtaining a decent place to live in the District of Columbia. This transfer is contingent upon Council approval of a reorganization plan.

Agency Budget Summary
FY 1994: The *total* general fund budget from all funding sources in FY 1994 is $30,561,000 and 243 FTEs an increase of $9,828,920 and a decrease of 4 full-time equivalent (FTE) positions from the revised total FY 1993 budget. The *appropriated* request for FY 1994 is $18,929,000 and 46 FTEs, an increase of $10,270,600 and an increase of four FTE from the revised FY 1993 request and an increase of $10,610,000 and decrease of 2 FTEs from the approved FY 1993 budget. The *nonappropriated* budget for FY 1994 is reduced by 8 FTEs and $442,000 from the revised FY 1993 budget. (The dollar amounts budgeted in the general fund reported in the tables below are exclusive of federal CDBG program funds and the federal HOME program grants. These funds are managed as capital-type accounts because of their multi-year funding availability. However, the HOME appropriated match is included in the following general fund tables.)
FY 1993 Revised: The FY 1993 revised appropriated budget request is an increase of $339,000 and a decrease of 6 FTEs from the approved budget.

Major changes for FY 1994 and FY 1993 include the following:

- Provision of $1.4 million to match the federal HOME program in FY 1993 and FY 1994.

- Transfer of the TAP program from the Department of Public and Assisted Housing in FY 1994 contingent upon approval of a reorganization plan.

- The FY 1993 revised appropriated budget is reduced by 6 appropriated FTEs and $453,000 in personal services including $71,000 in furlough reductions, and $6,000 in within-grade savings from the FY 1993 approved budget.

Budget Strategy & Impacts
Strategy: Affordable housing is and has been a major concern of the District and most urban areas for a number of years. The District Government provides a variety of grants and loans to aid residents in a variety of housing and community development programs through several District agencies. In FY 1994, the Tenant Assistance Program is proposed to be transferred to DHCD in an effort to consolidate and streamline programs to better serve the residents of the District. Several reforms will be initiated in the TAP program prior to the transfer to ensure that the neediest of residents are being served. Previously allocated TAP dollars will be used to leverage federal dollars at a ratio of one District dollar to three or more federal dollars. For example, $1.4 milllion of TAP

dollars saved from that program will leverage over $5 million in federal dollars for the HOME program and will provide 400 units of housing for lower income individuals.

In addition, the department is considering office space alternatives. It is the intent to either move the agency to District-owned space, or consolidate agencies and share rental costs. The preferred course of action is to maximize the use of District-owned space.

Impacts: Through the HOME grant from the federal government which has allocated $7 million in FY 1992 funds (not requiring a match) and an estimated $5 million allocation of HOME funds for FY 1993 and FY1994 to the District, the department will have significant resources to implement housing production programs for the neediest of the District's residents. It is estimated that 400 units or more of housing will be funded with the annual HOME program funds. Through the streamlining of the TAP program, a concerted effort is being made to ensure that lower income individuals are served. Assuming that significant facility cost savings can be made in rental costs by December 31, 1993, DHCD programs will not entail service reductions because cost savings realized would be allocated to programs.

Table I **Agency Staffing and Funding Detail**

Programs	Staffing (FTE Positions)				Funding			
	FY92 Actual	FY93 Budget	FY93 Revised	FY94 Proposed	FY92 Actual	FY93 Budget	FY93 Revised	FY94 Proposed
Office of the Director	27.9	38.0	34.0	57.0	1,338,668	1,699,000	1,458,699	2,663,000
Administration of Neighborhood Preservation & Commercial Development	0.0	0.0	0.0	85.0	0	0	0	7,059,000
Administration of Program Support & Administrative Services	0.0	0.0	0.0	90.0	0	0	0	20,272,000
General Support Functions	45.9	52.0	47.0	0.0	6,102,110	6,774,680	6,470,572	0
Program Operations Functions	114.9	132.0	120.0	0.0	9,600,080	10,828,000	9,398,809	0
Research and Information Functions	32.5	36.0	35.0	0.0	1,506,998	1,467,000	2,820,000	0
Corporation Counsel	9.2	11.0	11.0	11.0	375,395	584,000	584,000	567,000
Housing and Business Resources	0.1	0.0	0.0	0.0	2,869	0	0	0
Total Agency	230.5	269.0	247.0	243.0	18,926,120	21,352,680	20,732,080	30,561,000
Appropriated Funds	44.1	48.0	42.0	46.0	7,478,947	8,319,000	8,658,400	18,929,000
Federal Funds	0.0	0.0	0.0	0.0	0	0	0	0
Intra-District Funds	186.5	221.0	205.0	197.0	11,063,914	13,033,680	12,073,680	11,632,000
Other Funds	0.0	0.0	0.0	0.0	383,260	0	0	0

Department of Housing and Community Development

Table II **Agency Outputs**

Measures	FY 1991	FY 1992	FY 1993	FY 1994
Home Purchase Assistance Program Loans - Citywide	132	87	120	83
Home Purchase assistance program loans - City-pap	0	0	72	60
Home Purchase assistance program loans - CDBG	565	236	150	170
Senior Citizen's Home Repair & Improvement Prog Lns	18	11	43	43
Homestead Housing Preservation Program - No. of units Transferred	61	105	77	110
Homestead Housing Preservation Program - Appropriated Units	5	45	45	45
Homestead HOusing Preservation Program - CDBG Units	56	60	32	30
Homestead Housing Preservation Program - No. of Architectural Review Panel meeting	1	0	2	3
Commercial and Housing Projects - No.reviewed	36	38	35	35
Commercial and Housing Projects - No. of studies contracted	1	1	1	1
Commercial and Housing Projects - Exclusive Right Agreements signed	5	6	5	6
Commercial and Housing Projects - RLA Parcels sold	3	7	5	5
Commercial and Housing Projects - No. of Predevel. loans	4	2	7	6
Tenant Assistance Program (TAP) - TAP units rented	0	0	0	1,694
Tenant Assistance Program (TAP) - TAP Units inspected	0	0	0	2,609
Home Program - No of units	0	0	0	400

Department of Housing and Community Development

Table V **Agency Appropriated Summary by Expenditure Type**

Expenditure Type	Staffing (FTE)				Funding			
	FY 92 Actual	FY 93 Budget	FY 93 Revised	FY 94 Proposed	FY 92 Actual	FY 93 Budget	FY 93 Revised	FY 94 Proposed
Personal Services								
Regular Pay	41.2	46.0	40.0	46.0	1,857,100	2,060,000	1,745,400	1,735,000
Other Pay	2.9	2.0	2.0	0.0	118,824	87,000	0	0
Additional Gross Pay	0.0	0.0	0.0	0.0	485,827	13,000	13,000	13,000
Fringe Benefits	0.0	0.0	0.0	0.0	266,471	318,000	267,000	324,000
Total Personal Services	44.1	48.0	42.0	46.0	2,728,222	2,478,000	2,025,400	2,072,000
NonPersonal Services								
Supplies					23,663	25,000	25,000	25,000
Energy					0	0	0	0
Communications					161,601	103,000	103,000	103,000
Building Rent					720,219	644,000	644,000	322,000
Other Services & Charges					789,147	530,000	530,000	958,000
Subsidies & Transfers					3,056,094	4,534,000	5,326,000	15,444,000
Equipment					0	5,000	5,000	5,000
Total NonPersonal Services					4,750,724	5,841,000	6,633,000	16,857,000
TOTAL AGENCY	44.1	48.0	42.0	46.0	7,478,946	8,319,000	8,658,400	18,929,000

Mr. DIXON. Mr. Bonilla, go right ahead with your questions.

BUDGET INCREASE FOR TENANTS ASSISTANCE PROGRAM

Mr. BONILLA. One final question for Mr. Malone. I noticed that you are requesting more than a 100 percent increase in the budget and the majority is for the tenants assistance program. What does that do and why do you need so much more for that?

Mr. MALONE. The $10 million represents a consolidation of a function. The tenant assistance program has been administered in the Department of Public and Assisted Housing, the program that helps us subsidize tenants. That program was shifted from the Department of Public Assisted Housing to the Department of Housing and Community Development which goes to fund the tenant assistance program. That is what that $10 million represents.

I keeping with the consolidation of funds, actually from one agency to the other, we were then able to remove some other positions at the Department of Public and Assisted Housing. That is what the $10 million represents.

Mr. BONILLA. Thank you. I appreciate your testimony. Thank you.

Mr. DIXON. Thank you gentlemen.

STATUS OF CATHERINE MCCARRON CASE

Mr. Malone, I have one other question. As you know, we have had a witness testify here several years in a row. Her name is Ms. Catherine McCarron. I haven't looked at last year's testimony, but she was here again this year, and as I recall, she applied for a low interest loan to rehab her house and was led to believe she was eligible. In the process she provided, at her expense, various architectural sketches and other things, and I assume she assumed that she was eligible since it had moved forward. After she had done all of this, she was then told that she was not eligible.

Mr. MALONE. Mr. Chairman, she would still remain ineligible. However, within the last couple of weeks the Office of Corporation Counsel has decided to pay her claim——

Mr. DIXON. Beautiful. Thank you very much. Mr. Brown, thank you very much today. Thank you very much, Mr. Malone.

QUESTIONS FOR THE RECORD—DEPUTY MAYOR

I have some questions that I will submit for you to answer for the record.

[The Committee's questions and the Deputy Mayor for Economic Development's responses follow:]

OFFICE OF THE DEPUTY MAYOR FOR ECONOMIC DEVELOPMENT

QUESTION:

1. You are requesting $12,180,000 in your capital outlay budget for acquisition, design, and development of"... the first municipal parking facility in the District of Columbia..." in Adams Morgan (Cap-37).

a. Please explain this project and time frame for accomplishing your goals and objectives.

ANSWER:

1. The Office of the Deputy Mayor for Economic Development (DMED) requested $12,180,000 in additional capital budget authority for the land acquisition, design and development of municipal parking in Adams Morgan.

Statutorily, the city has the authority for providing off-street parking (40 D.C. Code sec. 805). Additionally, Congress has requested the District to submit a final implementation plan for Adams Morgan municipal parking with the FY '94 District to budget (H.R. 5517). The Mayor is committed to building the first municipal parking facility in the District of Columbia, and the potential economic development impact of this initiative is significant.

The development of municipal parking in the traffic congested commercial corridor of Adams Morgan will result in positive economic and social benefits for the city. Currently there exists an acute shortage of parking in the area. The condition negatively impacts the business and residential community. Neighborhood business activity and growth is limited because of the absence of low-cost, available parking for local patrons. These same neighborhood businesses are precluded from capitalizing on significant tourism revenue additionally afforded by tour bus operators able to park in the corridor.

Because of the competition between commercially generated and residential traffic, both neighborhood residents and businesses have an overwhelming need of some form of municipal off-street parking. The Office of Business and Economic Development (OBED) has identified a need for a minimum of 430 additional parking spaces. Based on the configuration of the parking facility, up to three (3) sources of additional revenue to the city can be generated with this initiative. The first is the retail sales tax realized from the increased dollar volume generated by the increased migration of local and tourist patrons. Secondly, is the revenue generated by the operating income of the facility, both from short term commercial and long term residential parking. Third, is the revenue source (specific to the site selected) from the potential sale of the structure's air rights for future commercial or residential development,which in turn generates additional business and/or income tax.

There will be no immediate impact on the District's operating budget if additional budget authority is approved. However, upon project completion additional revenue will be generated from the facility's operating income, additional retail sales tax and development air rights.

The scope of work consists of the following stages and budgeted costs:

Facility Design	$559,000
Project Management	922,350
Site Acquisition	4,000,000
Construction	5,590,000
Contingency	1,107,135
Total	$12,178,485

The time frame for the project as forecasted:

September 1993	Executive approval of site acquisition
November 1993	Legislative approval of site acquisition
March 1994	Council approval for financing
June 1994	Settlement of site purchase
September 1994	Construction commences
September 1995	Project completed

QUESTION:

2. What is the status of the proposal to build a new convention center? In response to a question for the record last year, the Deputy Mayor's office responded that the services of a consultant had been retained to conduct a project feasibility study that was expected to be completed not later than September 15, 1992 (p. 1503, part 1, FY 1993 D.C. hearings).

ANSWER:

2. The feasibility study has been completed and provided substantial information that clearly presented the significant economic benefits justifying the need for expanded convention facilities. The Executive is fully committed to that concept. However, in an effort to avoid placing an additional tax burden upon District residents and businesses, we are currently investigating other mechanisms to finance the expansion. DMED, in coordination with members of the Public Private Task Force, has made presentations to representatives of the Board of Trade, Federal City Council, and Chamber of Commerce to build support for and create a consensus on the appropriate mechanism(s) required to finance this significant project.

QUESTION:

3. In FY 1993 a total of $3.2 million was budgeted to facilitate "Development Zone Initiatives":

a. What kinds of development are fostered by these funds?

b. Where were the funds used to foster "development"?

c. How much is budgeted for FY 1994 and how will it be used?

d. Does the District accumulate a future financial liability toward any of the currently funded "development"?

ANSWER:

3. In FY 1993, capital budget authority of $1.3 million was approved for the Development Zones Administration.

3(a) The FY 1993 authority was used to provide infrastructure funding for the Monterey Park project.

3(b) The funds were used to provide infrastructure improvements at the Monterey Park project which will allow developers to construct 64 critically needed single family houses on a nine-acre parcel in Ward 8 at 9th and Savannah Streets, S.E.

3(c) The FY 1994 capital budget authority request is for $9 million and will be used for the following projects:

ESTIMATED COST	PROJECT TYPE	PROJECT LOCATION	WARD
$1,500,000	Modifications/Public Space Enhancements	Alabama Ave./Naylor Road Good Hope Market Place	8
$1,850,000	Demolition/Landscaping	Acquisition of Private Property 1200 Block of Good Hope Road, SE	6E
$ 400,000	Restoration and Site Improvements	Old Congress Heights School 3100 Block of Martin Luther King Ave.	8
$2,000,000	Site Improvements and Preparation	D.C. Village	8
$1,100,000	Infrastructure and Site Preparation	T Place Housing 22 Street and T Place, SE	6E
$ 800,000	Infrastructure and Site Preparation	Wood Crest Housing 4th St. and Mississippi Ave., SE	8

ESTIMATED COST	PROJECT TYPE	PROJECT LOCATION	WARD
$ 300,00	Demolition, New Construction and Infrastructure	Child Care Facility 1501 Alabama Ave., SE	8
$ 350,000	Streetscape/Infrastructure Improvements	Alabama Ave./Stanton Road to Wheeler Road, SE	8
$ 130,000	Streetscape/Infrastructure Improvements	Terrace Manor 23rd and Savannah Sts., SE	8
$ 80,000	Streetscape/Infrastructure Improvements	Savannah Terrace 15th and Savannah Sts., SE	8
$ 100,000	Streetscape/Infrastructure Howard Road and Bryan Place	Howard Gardens Howard Road and Bryan Place	8
$ 300,000	Infrastructure and Site Improvements Martin Luther King Ave & Savannah St.	Multi-Purpose Facility for Senior Citizens	8
$ 90,000	Public Space Improvements (i.e. fencing, raised planters, benches, sidewalks, curbs and gutters, etc.)	25th St. and Good Hope Road, SE	8
$ 150,000	Public Space Improvements (i.e. fencing, raised planters, benches, sidewalks, curbs and gutters, etc.)	Martin Luther King Ave. between Morris and Howard Roads, SE	8
$ 125,000	Public Space Improvements (i.e. fencing, raised planters, benches sidewalks, curbs and gutters, etc.)	Good Hope Road between 16th St., Minnesota, and Martin Luther King Avenues	6,8
$9,000,000	TOTAL		

3(D) Yes. Currently, the District funds capital improvements projects including economic development with long term debt. The District is financially liable for repayment of the debt borrowed to undertake capital projects. We are looking at alternative financing methods to fund economic development initiatives.

QUESTIONS FOR THE RECORD—DHCD

Mr. DIXON. I have some questions that I will submit for you to answer for the record.

[The Committee's questions and the Department's responses follow:]

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT

QUESTION

1. How much money is available to the District from all sources including "program income" for housing programs of one kind or another?

   In other words, what is the grand total of funds the District expects to have in FY 1994 for housing programs?

ANSWER:

1. The Department of Housing and Community Development expects to have a total of $60,128,000 from all sources for various housing programs in FY 1994. This includes $20,929,000 from the District's appropriation ($18,929,000 from the repayment of loans), $39,199,000 from the Development Block Grant, and HOME/HOPE programs. All funds budgeted in FY 1993 are expected to be expended before the end of the fiscal year.

QUESTION

2. For the record, please provide a list of the properties sold or planned for sale for FY 1991, FY 1992 and planned for FY 1993 along with a brief description of each property.

ANSWER

2. See Attachment #1.

ATTACHMENT #1

LAND SALES

URBAN RENEWAL AREA	DATE SOLD	PARCEL NUMBER	ADDRESS	DESCRIPTION
FY 1991				
SHAW	01/11/91	---	1600 7th STREET, NW	PARKING LOT FOR RESTAURANT
14TH ST	09/10/91	---	3317 HOLMEAD STREET, NW	ONE TOWNHOUSE FOR MODERATE INCOME FAMILY
14TH ST	09/10/91	---	3319 HOLMEAD STREET, NW	ONE TOWNHOUSE FOR MODERATE INCOME FAMILY
FY 1992				
SHAW	06/17/92	19	1701-1719 14TH STREET, NW	30,000 SQ FT OFFICE BUILDING
SHAW	09/11/92	---	1920-1924 14TH STREET, NW	OFFICE BUILDING FOR NON-PROFIT ORGANIZATION
---	09/22/92	---	13TH & UPSHUR STREETS, NW	40 UNIT HOUSING FOR THE ELDERLY
DOWNTOWN	08/04/92	2	1301 G STREET, NW	PAY OFF NOTE DUE TO REFINANCING
---	06/12/92	---	4900 BLOCK OF BENNING ROAD S.E.	10 HOUSES FOR LOW INCOME FAMILIES
NW#1	07/07/92	---	63 P STREET, NW	ONE TOWNHOUSE FOR LOW INCOME FAMILY
FY 1993				
SW"C"	11/19/92	96	7th & I STREETS, SW	EXERCISED OPTION TO PURCHASE GROUND LEASE
SW"C"	11/24/92	57-2	5th AND E STREETS, SW	LEASE DEFAULT WORKOUT FOR OFFICE BUILDING
NE #1	12/04/92	39B	1ST AND K STREETS, NE	EXERCISED OPTION TO PURCHASE GROUND LEASE
NW #1	12/07/92	7	1ST AND PIERCE STREETS, NW	29 TOWNHOUSES FOR LOW/MOD FAMILIES
---	01/08/93	---	BENNING ROAD AT H STREET, SE	15 SEMI-DEATCHED HOUSES AND 130 BED NURSING HOME
---	01/13/93	---	KNOX HILL TERRACE AT IRVING STREET, SE	135 SEMI-DEATACHED HOUSED FOR LOW/MOD FAMILIES
SW"C"	07/01/93	23	500 C STREET, SW	EXERCISES OPTION TO PURCHASE GROUND LEASE
14TH ST		5	GIRARD ST AND UNIVERSITY PLACE, NW	16 TOWNHOUSE FOR LOW/MOD FAMILIES
NW #1		14A	1101 NEW JERSEY AVENUE, NW	CHURCH AND COMMUNITY CENTER
SHAW		19	1701-1719 14TH STREET, NW	NOTE PAYMENT ON OFFICE BUILDING
NW #1		45	N. CAPITOL & MASSACHUSETTS AVE., NW	PURCHASE OF LAND BY THE GEN. SERVICES ADMINISTRATION
SW"C"		69	401 E STREET, SW	110,000 SQ FT OFFICE BUILDING

WITNESSES PRESENT ON FISH WHARF ISSUE

Mr. DIXON. Let the record show that there are parties here on both sides of the wharf issue. The committee will not entertain any further testimony on that subject today. This is not going to turn into a debate nor does the Congress want to be accused of cutting another deal on the issue.

Mr. BROWN. Thank you very much, Mr. Chairman.

Mr. DIXON. Thank you, Mr. Malone.

BUDGET REQUEST OF PUBLIC AND ASSISTED HOUSING

Mr. Brown, I am going to take the Department of Public and Assisted Housing next. The Department is requesting no appropriated funding for fiscal year 1994, a reduction of $21,216,000 and 20 positions below the fiscal year 1993 level. Your total operating budget for fiscal year 1994 from all sources including Federal grants, private funds and Intra-District funds is $103,934,000, and 1,053 positions, which is a reduction of $8.2 million below the revised FY 1993 level of $112,144,000.

As it relates to the fiscal year 1993 supplemental, you are reducing your budget by $7,436,000. Under capital outlay for fiscal year 1994, you are requesting increases of $12 million for three projects and rescissions of $406,090 for one project.

We have with us Mr. Robert K. Jenkins, Jr., the Acting Director.

PREPARED STATEMENT OF DIRECTOR JENKINS

Mr. Jenkins, if you have a prepared statement we will be pleased to receive it for the record and anything you would like to highlight orally we would be pleased to receive at this time. I hope you will touch upon the plans by the court if any to appoint a special master.

Mr. JENKINS. Yes, sir; I will be happy to do that.

[The prepared statement referred to follows:]

STATEMENT OF
ROBERT K. JENKINS, JR., ACTING DIRECTOR
DEPARTMENT OF PUBLIC AND ASSISTED HOUSING
ON THE
FY 1993 SUPPLEMENTAL AND FY 1994 BUDGETS
BEFORE THE U.S. HOUSE OF REPRESENTATIVES
COMMITTEE ON APPROPRIATIONS

GOOD AFTERNOON. I AM ROBERT K. JENKINS, JR., THE ACTING DIRECTOR OF THE DEPARTMENT OF PUBLIC AND ASSISTED FOR THE DISTRICT OF COLUMBIA.

I AM PLEASED TO APPEAR BEFORE YOU TODAY TO PRESENT THE FY'93 SUPPLEMENTAL AND FY'94 APPROPRIATED BUDGETS FOR THE DEPARTMENT OF PUBLIC AND ASSISTED HOUSING (DPAH). JOINING ME IS MR. DOUG OWENS, ACTING BUDGET CHIEF.

I AM NEW TO THE AGENCY. THIS IS ONLY MY SEVENTH WEEK AT DPAH. ACCORDINGLY, I WOULD LIKE TO TAKE A MOMENT TO SHARE WITH YOU MY VISION FOR PUBLIC HOUSING IN THE DISTRICT OF COLUMBIA BEFORE DISCUSSING THE SPECIFICS OF THE BUDGETS.

I AM CONTINUING MAYOR KELLY'S GOAL TO NOT ONLY IMPROVE THE DELIVERY OF SERVICES TO PUBLIC HOUSING RESIDENTS AND SUBSIDIZED HOUSING CLIENTS, BUT TO ALSO CREATE OPPPORTUNITIES FOR RESIDENTS TO BECOME ECONOMICALLY SELF-EMPOWERED. WE WILL CONTINUE TO WORK WITH THEM AND TO PROVIDE THEM WITH TRAINING AND EMPLOYMENT OPPORTUNITIES AND TO ENCOURAGE THEM TO ORGANIZE AND ENTER CONTRACTING AND BUSINESS OPPORTUNITIES.

EARLIER THIS MONTH, AT THE STANTON DWELLINGS DEVELOPMENT IN SOUTHEAST, MAYOR KELLY ALONG WITH ENVIRONMENTAL PROTECTION AGENCY ADMINISTRATOR, CAROL BROWNER, COMMERCE SECRETARY RON BROWN, AND REPRESENTATIVES OF HOUSING AND URBAN DEVELOPMENT (HUD) SECRETARY HENRY CISNEROS, ANNOUNCED A NEW PROGRAM TO TRAIN PUBLIC HOUSING RESIDENTS IN LEAD BASED PAINT AND ASBESTOS TESTING AND ABATEMENT. WE ARE WORKING WITH OTHER CITY OFFICIALS TO ENSURE THAT ONCE THESE RESIDENTS HAVE COMPLETED THEIR TRAINING AND ARE CERTIFIED, THEY WILL RECEIVE PRIMARY CONSIDERATION FOR EMPLOYMENT OPPORTUNITIES THAT BECOME AVAILABLE.

I BRING TO DPAH SIGNIFICANT PRIVATE SECTOR EXPERIENCE IN PROVIDING AFFORDABLE HOMEOWNERSHIP OPPORTUNITIES FOR LOW INCOME PEOPLE, BY CREATIVELY BRINGING TOGETHER DIFFERENT SEGMENTS OF THE DEVELOPMENT, REAL ESTATE, AND BANKING COMMUNITIES. UNDER MY LEADERSHIP, DPAH WILL WORK IN PARTNERSHIP WITH THE PRIVATE SECTOR REAL ESTATE COMMUNITY TO CREATE OPPORTUNITIES TO MOVE RESIDENTS INTO THEIR HOMES OR INTO THE PRIVATE RENTAL MARKET. THIS STRATEGY WILL ENCOURAGE PUBLIC HOUSING RESIDENTS TO CONTINUE THEIR UPWARD MOBILITY AND WILL ALSO OPEN UP HOUSING FOR THE MANY HOUSEHOLDS ON OUR WAITING LIST.

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OPERATIONALLY, WE WILL CONTINUE TO IMPLEMENT PROPERTY-BASED MANAGEMENT OF OUR DEVELOPMENTS. WE WILL EMPOWER OUR SITE MANAGERS WITH PROPERLY TRAINED STAFF AND THE NECESSARY RESOURCES TO CARRY OUT THEIR RESPONSIBILITIES. WE WILL IMPROVE AND EXPAND OUR USE OF AUTOMATION AND WILL PROVIDE UR EMPLOYEES WITH THE TRAINING NECESSARY FOR THEM TO PROVIDE QUALITY AND EFFICIENT SERVICE. WE ARE THE LARGEST PROPERTY MANAGEMENT FIRM IN THE DISTRICT OF COLUMBIA, AND WE MUST LEARN TO OPERATE AS SUCH.

WE WILL CONTINUE TO IMPLEMENT OUR HIGHLY SUCCESSFUL OPERATION REBOUND PROGRAM. IT HAS HAD DRAMATIC RESULTS IN REDUCING CRIME AT POTOMAC GARDENS ON CAPITOL HILL AND AT THE FAMILY BUILDING OF THE GREENLEAF GARDENS COMPLEX IN SOUTHWEST. IT IS A MANAGEMENT STRATEGY THAT TARGETS THE NECESSARY RESOURCES TO INDIVIDUAL DEVELOPMENTS BY IMPROVING LEASE ENFORCEMENT, SECURITY, AND MAINTENANCE. OPERATION REBOUND WORKS. ACCORDING TO STATISTICS OF THE METROPOLITAN POLICE DEPARTMENT, REPORTED CRIME AT GREENLEAF HAS BEEN REDUCED BY 71% FROM 1991 TO 1992. AT POTOMAC GARDENS, NOT FAR FROM HERE ON CAPITOL HILL, WHERE WE STARTED OPERATION REBOUND IN MARCH 1992, REPORTED CRIME HAS DROPPED ALMOST 20%.

WE WILL ALSO CONTINUE OUR HIGHLY PUBLICIZED POLICE RESIDENCY PROGRAM. SINCE WE FIRST LAUNCHED THIS PILOT PROGRAM IN EARLY MARCH OF THIS YEAR, WE NOW HAVE THREE OFFICERS RESIDING AT POTOMAC GARDENS, ANOTHER AT KENTUCKY COURTS, ALSO ON CAPITOL HILL, AND ANOTHER WHO HAS RECENTLY MOVED INTO PARK MORTON IN NORTHWEST, OUR NEXT OPERATION REBOUND SITE. WE WORK CLOSELY WITH THE POLICE DEPARTMENT AND HAVE A LIST OF ABOUT 20 OFFICERS WHO HAVE EXPRESSED INTEREST IN THE PROGRAM. THE POLICE DEPARTMENT CONDUCTS THOROUGH BACKGROUND CHECKS OF ALL APPLICANTS. IT IS THE PURPOSE OF THIS PROGRAM TO NOT ONLY PROVIDE AN ADDITIONAL LEVEL OF SECURITY ON PUBLIC HOUSING DEVELOPMENTS BUT TO ALSO HAVE ROLE MODELS LIVING IN THE COMMUNITIES WITH OUR PUBLIC HOUSING YOUTH.

WE DO HAVE A STRATEGY TO REPAIR 1,199 NON-MON VACANT UNITS AND ARE WORKING WITH HUD TO IDENTIFY ADEQUATE FUNDS TO COVER THE COSTS. WE WILL USE OUTSIDE CONTRACTORS TO RENOVATE OVER 400 BACKLOGGED VACANT UNITS THAT REQUIRE MAJOR WORK. OF THESE, 224 ARE STRUCTURALLY SOUND BUT NEED MAJOR WORK AND 200 OF THEM HAVE STRUCTURAL AND/OR MECHANICAL SYSTEM PROBLEMS THAT REQUIRE REPAIR BEFORE RENOVATION WORK CAN BE DONE.

THERE ARE ANOTHER 450 UNITS THAT HAVE BEEN CLASSIFIED AS MODERATE AND THESE ARE BEING DONE BY AGENCY STAFF. ANOTHER 107 HAVE BEEN CLASSIFIED AS MINOR AND ARE BEING DONE BY A CREW OF MEN FROM LORTON. WE HAVE RECENTLY ENTERED AN AGREEMENT WITH THE DEPARTMENT OF CORRECTIONS TO USE THE SKILL, TALENT AND MANPOWER OF THE MEN TO HELP TACKLE THESE VACANT UNITS.

LASTLY, THERE ARE 227 UNITS THAT ARE SO STRUCTURALLY UNSOUND OR LAY IN FLOOD PLAIN AREAS THAT WE MUST SEEK HUD APPROVAL TO DEMOLISH THEM.

NOW LET ME BRIEFLY DISCUSS OUR FY'93 REVISED AND OUR FY'94 APPROPRIATED BUDGETS. THEY REPRESENT A MAJOR CHANGE IN POLICY FOR THE DEPARTMENT. THE REVISED FY'93 BUDGET REDUCES THE AMOUNT OF APPROPRIATED FUNDS FOR THE AGENCY FROM $21,216,000 TO $13,780,000. IN FY'94 THERE WILL NOT BE ANY APPROPRIATED FUNDS. THE AGENCY WILL OPERATE ON FEDERAL SECTION 8 AND PUBLIC HOUSING FUNDS ALONG WITH RENT COLLECTIONS. IN THS WAY THE DEPARTMENT WILL OPERATE LIKE OTHER PUBLIC HOUSING OPERATIONS THROUGHOUT THE COUNTRY.

THIS CHANGE IN PHILOSOPHY WILL HAVE THE GREATEST IMPACT ON THE TENANT ASSISTANCE PROGRAM (TAP) WHOSE APPROPRIATED BUDGET IS BEING REDUCED FROM $16,461,000 TO $12,106,000 IN THE FY'93 SUPPLEMENTAL BUDGET. AN ADDITIONAL $1.4 TO $1.9 MILLION IN FEDERAL HOME FUNDS WILL BE USED TO ADEQUATELY FUND THE PROGRAM. CONTAINED IN THE BUDGET OF THE DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT, THE HOME FUNDS WILL BE INTRA-DISTRICTED TO DPAH AS IS NEEDED. IN FY'94, TAP WILL BE TRANSFERRED FROM DPAH TO THE DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT, CONTINGENT UPON THE APPROVAL OF A REORGANIZATION PLAN.

ALTHOUGH THERE WILL BE A DECREASE IN THE AGENCY'S FINANCIAL RESOURCES BECAUSE OF THE FY'93 DECREASE AND THE FY'94 ELIMINATION OF THE APPROPRIATED BUDGET, THE WORKLOAD AND SERVICE DEMANDS WILL CONTINUE. WE ARE WORKING WITH HUD TO DEVELOP MANAGEMENT IMPROVEMENTS FOR OUR OPERATIONS, IMPROVING AND EXPANDING AUTOMATION OR OUR PROGRAMS, STREAMLINING CONTRACTING AND PROCUREMENT PROCESSES, AND CONTROLLING FIXED ASSETS AND INVENTORY. THE EMPHASIS WILL BE ON IMPROVING OPERATIONAL EFFICIENCY AND EFFECTIVENESS.

IT SHOULD BE NOTED THAT WE CONTINUE TO COLLECT RENT AT THE SAME RATE THAT WE DID LAST YEAR. COLLECTIONS SO FAR THIS FISCAL YEAR EQUAL THAT OF LAST YEAR. THEREFORE, WE WILL COLLECT AT LEAST THE $19.2 MILLION THAT WE DID THEN.

I AM EXCITED ABOUT MY NEW EXPERIENCE HERE AT DPAH. I HAVE MET MANY DEDICATED, HARD-WORKING EMPLOYEES, CONCERNED AND COMMITTED HUD OFFICIALS, AND DETERMINED AND TALENTED RESIDENTS. I AM STILL MEETING WITH PEOPLE AND REVIEWING THE AGENCY, BUT I BELIEVE THAT WE WILL BE ABLE TO CONTINUE IMPROVEMENTS THAT HAVE ALREADY BEEN STARTED BY THE KELLY ADMINISTRATION. THERE IS STILL A GREAT DEAL TO DO, BUT I BELIEVE THAT WE ARE WELL ON OUR WAY TO BRINGING ABOUT SUBSTANTIAL SUBSTANTIVE IMPROVEMENTS IN THE OPERATION OF PUBLIC HOUSING IN THE DISTRICT OF COLUMBIA.

I AM NOW AVAILABLE TO ANSWER ANY QUESTIONS THAT YOU MAY HAVE.

Department of Public & Assisted Housing

Agency Overview

Mission

The mission of the Department of Public and Assisted Housing (DPAH) is the management of the country's seventh largest public housing system with 11,790 public housing units, which consists of 60 developments and 317 scattered sites, and to provide subsidized housing to those District of Columbia residents who are eligible for such housing.

Agency Description

The overall mission of the Department provides for the creation and maintenance of housing communities in a physical and social environment that enhances growth and development for all residents to achieve their maximum potential, individually and collectively. To carry out it's mission, DPAH operates, manages and maintains the city's public housing stock and administers the Section 8 federal subsidy program established pursuant to the United States Housing Act of 1937, as amended. The District's public housing program offers opportunities for residents to achieve self-sufficiency and upward mobility through comprehensive program support and services that are provided on many of the housing sites. Services of other District agencies, public and private organizations are actively sought and coordinated for the benefit of public housing residents. The department works in conjunction with local educational and health institutions to develop cooperative intern programs and on-site services. Section 8 and home ownership programs are utilized as stepping stones toward independence.

Based upon a comprehensive assessment of its organizational structure, the Department will be realigned in FY 1994 to clearly distinguish between administrative and operational functions. This provides for optimal efficiency and effectiveness while improving the span of control and accountability. The realignment will enable the Department to identify and eliminate unnecessary management levels that do not directly support its overall mission and goals. The work of the department is carried out through the following major programs:

Office of the Director- Provides overall executive direction and support to the agency and its mission of providing low cost public and subsidized housing. This includes the securing of grant funding; the dissemination of public information; and the provision of professional legal assistance.

Office of the Deputy Director- Manages the agency's personnel functions; administrative support services; building operations; records management; and ensures that grievances of public and subsidized housing residents and/or applicants are addressed fairly and expeditiously.

Department of Public & Assisted Housing

Finance Administration- Provides direction, coordination, and management of the agency's financial management and automated data processing systems.

Contracts and Procurement Administration (formerly the Purchasing Administration)- Manages the agency's contracting and procurement activities as well as the public housing warehouse. Low Rent Housing Administration (formerly the Housing Management Administration) - In FY 1994 as part of the agency's realignment, the Housing Management Administration will become the Low Rent Housing Administration. Under the former structure, The Housing Management Administration managed, maintained, and provided support services for the public housing operations. In addition, the Administration administered the federal Section 8 housing assistance program. Under the realignment, support services and the federal Section 8 housing assistance program will be established in their own respective administrations to improve the span of control and accountability. Their duties will be described further in the budget.

Housing Support Administration (formerly Maintenance Operations Administration) - Under the FY 1994 realignment, support services will be performed in the Housing Support Administration. The Administration will handle the delivery of support services necessary for the effective management and maintenance of public housing properties. These services include motor pool services, communications, materials management, Housing Quality Standards inspections, and emergency maintenance repairs.

Subsidized Housing Administration - Under the FY 1994 realignment, the Subsidized Housing Administration will manage the federal Section 8 Housing Assistance Program.

Agency Budget Summary
The FY 1994 budget request for the agency represents a major policy change because the Department of Public and Assisted Housing will be funded like most public housing operations. The Department of Public and Assisted Housing will fund its public housing operations with federal funds and rental collections for administrative and operational costs.

FY 1994: There is no appropriated budget request for FY 1994. This represents a reduction of $13,780,000 and 20 FTE positions from the revised FY 1993 request. The decrease is comprised of a base reduction of $4,330,000 and 20 FTE positions, and the transfer out of $9,450,000 and 5 FTEs for the TAP program to the Department of Housing and Community Development. Major changes include the following:

- The elimination of the Low Rent Operating General Fund Subsidy in FY 1994 will result in a reduction of $3,100,000 from the FY 1993 revised budget.

- The elimination of the Youth Education and Sports Club in FY 1994 will result in a reduction of $70,000 from the FY 1993 revised budget.

- The elimination of the Private Unit Leasing Program (PULP) will result in a reduction of $500,000 from the FY 1993 revised budget.

- As of October 1, 1993 (FY 1994), the Tenant Assistance Program will be transferred to the Department of Housing and Community Development contingent upon Council approval of a reorganization plan.

FY 1993 Revised: The FY 1993 revised appropriated budget request reflects a reduction of $7,436,000 and no change in FTE positions from the FY 1993 Congressionally Approved Budget. The appropriated budget changes are described in detail in the program sections of the budget. Major changes include the following:

- The Tenant Assistance Program (TAP) provides rental subsidies to one year certificate holders and to selected apartment buildings which have multi-year TAP commitments. The program's budget will be reduced from $16,461,000 to $12,106,000, a reduction of $4,355,000. The revised appropriated funding of $12,106,000 along with $1,400,000 to $1,900,000 in federal HOME funds will provide sufficient funding for the program. The federal HOME funds are contained in the Department of Housing and Community Development's (DHCD) budget and will be intra-Districted to DPAH as needed.

- The Low Rent Operating General Fund Subsidy will be reduced from $3,100,000 to $400,000, a reduction of $2,700,000. The reduction is part of the District's policy of operating the low rent housing operations as a public housing authority which relies on rental collections and HUD operating funds.

- The Private Unit Leasing Program will be reduced from $500,000 to $400,000, a reduction of $100,000.

- A total of $300,000 will be reduced from selected nonpersonal services line items.

- The allocation of the furlough reduction will result in a reduction of $90,000; and the allocation of within-grade freeze will result in a reduction of $21,000.

- The revised FY 1993 budget reflects an increase for health benefits of $130,000.

Budget Strategy & Impacts

Strategy: Although the resources available to the agency are being reduced, workload and service demands are expected to continue in FY 1993 and FY 1994 at current levels. To operate without a general fund subsidy in FY 1994, while continuing to achieve the department's mission, DPAH will seek additional funding from the U. S. Department of Housing and Urban Development (HUD); increase rental collections by accelerating the repair

and occupancy of vacant units. Further savings will be realized from the implementation of management improvements funded by HUD to provide economic empowerment for residents, control fixed assets and inventory, automate various programmatic and administrative functions, streamline contracting and procurement processes and improve the overall efficiency and effectiveness of departmental programs and operations.

Impact: The above strategies will maintain current management and administrative services for the public housing and Section 8 assisted housing programs. Efforts will be made to reduce the impact on families not receiving a TAP rental subsidy by utilizing Section 8 funds and HOME funds.

Table I **Agency Staffing and Funding Detail (Fund 100)**

Programs	Staffing (FTE Positions)				Funding			
	FY92 Actual	FY93 Budget	FY93 Revised	FY94 Proposed	FY92 Actual	FY93 Budget	FY93 Revised	FY94 Proposed
Office of the Director	49.5	57.0	57.0	54.0	1,868,992	1,096,000	1,104,000	2,774,454
Office of the Deputy Director	31.9	32.0	32.0	31.0	4,122,521	5,596,186	5,397,186	5,511,800
Finance Administration	4.7	25.0	25.0	22.0	170,004	663,357	690,357	669,015
Contracts and Procurement Administration	51.0	15.0	14.0	15.0	56,458,798	442,000	442,000	720,900
Low Rent Housing Administration	10.1	64.0	64.0	0.0	6,885,993	61,610,074	54,338,074	0
Housing Support Administration	7.2	0.0	0.0	0.0	351,089	0	0	0
Subsidized Housing Administration	0.6	0.0	0.0	43.0	90,305	0	0	44,086,321
Total Agency	155.0	193.0	192.0	165.0	69,947,702.0	69,407,617.0	61,971,617.0	53,762,490.0
Appropriated Funds	**48.2**	**20.0**	**20.0**	**0.0**	**24,845,716**	**21,216,000**	**13,780,000**	**0**
Federal Funds	39.4	51.0	51.0	43.0	38,026,345	42,770,717	42,770,717	48,562,490
Intra-District Funds	67.2	122.0	121.0	122.0	6,918,097	5,420,900	5,420,900	5,200,000
Other Funds	0.0	0.0	0.0	0.0	157,543	0	0	0

Department of Public & Assisted Housing

Table I Agency Staffing and Funding Detail (Fund 104)

Programs	Staffing (FTE Positions)				Funding			
	FY92 Actual	FY93 Budget	FY93 Revised	FY94 Proposed	FY92 Actual	FY93 Budget	FY93 Revised	FY94 Proposed
Subsidized Housing Administration (FY 1994 Low Rent Operating Budget)	638.3	536.0	880.0	888.0	56,251,135	50,172,000	50,172,000	50,172,000
Corporation Counsel	10.3	0.0	0.0	0.0	502,152	0	0	0
Total Agency	648.6	536.0	880.0	888.0	56,753,287	50,172,000	50,172,000	50,172,000
Appropriated Funds	0.1	0.0	0.0	0.0	0	0	0	0
Federal Funds	0.0	0.0	0.0	0.0	0	0	0	0
Intra-District Funds	648.5	536.0	880.0	888.0	56,753,286	50,172,000	50,172,000	50,172,000
Other Funds	0.0	0.0	0.0	0.0	0	0	0	0

Table II Agency Outputs

Measures	FY 1991	FY 1992	FY 1993	FY 1994
Rent Collection Percentage	74%	85%	86%	87%
Annual Unit Inspections Perceatage	100%	95%	100%	100%
Clients Interviewed	20,787	25,000	27,000	27,000
Clients Placed	801	500	500	500
Clients On Waiting List	14,000	15,000	15,000	15,000
Emergency Plumbing, Electrical & Minor Rehab. of Dwelling Units	43,215	29,030	24,065	14,003
Major Mod Units	335	576	306	448
Vacant Units Rehabilitated	23	165	180	2,000
Section 8 Units Rented	2,194	2,394	2,645	2,699
TAP Units Rented	2,683	2,697	2,803	0

Department of Public & Assisted Housing

Table V Agency Appropriated Summary by Expenditure Type

Expenditure Type	Staffing (FTE)				Funding			
	FY 92 Actual	FY 93 Budget	FY 93 Revised	FY 94 Proposed	FY 92 Actual	FY 93 Budget	FY 93 Revised	FY 94 Proposed
Personal Services								
Regular Pay	32.4	20.0	20.0	0.0	1,487,871	694,000	583,000	0
Other Pay	15.8	0.0	0.0	0.0	562,668	0	0	0
Additional Gross Pay	0.0	0.0	0.0	0.0	108,713	0	0	0
Fringe Benefits	0.0	0.0	0.0	0.0	372,070	91,000	221,000	0
Total Personal Services	48.2	20.0	20.0	0.0	2,531,322	785,000	804,000	0
NonPersonal Services								
Supplies					21,840	10,000	0	0
Energy					111,160	120,000	0	0
Communications					80,000	80,000	0	0
Building Rent					0	0	0	0
Other Services & Charges					118,391	60,000	0	0
Subsidies & Transfers					21,925,115	20,131,000	12,976,000	0
Equipment					57,887	30,000	0	0
Total NonPersonal Services					22,314,393	20,431,000	12,976,000	0
TOTAL AGENCY	48.2	20.0	20.0	0.0	24,845,715	21,216,000	13,780,000	0

Mr. JENKINS. Good afternoon. I am Robert Jenkins, Jr. It is my pleasure to be here today. I am a native of the city, born here, raised here, and went to college here.

GOALS ESTABLISHED BY ACTING DIRECTOR

For the past six weeks I have had the opportunity to serve as Acting Director of the D.C. Department of Public and Assisted Housing. During my tenure, I have a vision and my vision can be categorized I think in three fairly broad categories: One, I am committed to reshaping DPAH, to operate in a manner similar to a private sector real estate cooperative management firm.

Secondly, I am committed to providing the residents of public housing properties with the opportunities and resources to graduate out of public housing into the private housing market. For example, we are presently working with a nonprofit group, ARCH, which will build three town houses on Capitol Hill. These town houses will be located on a vacant lot donated to ARCH by another corporation. Plans are to sell these town houses at very affordable rates to people who presently live in public housing to graduate them out of public housing.

Also, about three weeks ago we had a ribbon cutting at Stanton Dwellings, a public property where the District of Columbia was awarded a grant from the EPA to train public housing residents in the areas of asbestos abatement and lead based paint abatement.

Thirdly, and maybe it should have been my first goal, we are committed to removing DPAH from the public housing troubled list and reshaping it into a model authority. In your own hometown of Los Angeles, up until three years ago they were also a troubled authority. But under the leadership of Mr. Shuldiner, they have been reshaped into a model public housing authority.

ENHANCEMENT TO PUBLIC HOUSING PROGRAM

Mayor Kelly and I and our colleagues are committed to doing the same thing on the East Coast as what was done on the West Coast in L.A. Specifically, one of the things that we are presently doing is organizing a "Marshal Plan" to upgrade our community, and we are bringing in people and resources from throughout the city. For example, the School of Architecture of the University of the District of Columbia will be assisting us in the area of construction management and architectural services.

The D.C. Department of Corrections will be sending us some of their prisoners who are on work release to serve as laborers and painters. We are having early conversations with a number of nonprofit developers who have expressed an interest in working with us to rehab our fee simple scattered site housing so they can be sold to people who have lived in public housing and are on the public housing waiting list.

COURT APPOINTED MASTER

Finally, with respect to the court appointment of a master, Washington, D.C., unfortunately, like many large cities, has a large number of vacant units. Our percentage of vacant units is approximately 19 percent, which compares with 33 percent in Kansas City,

33.4 in Detroit or as low I think as 2 percent in Puerto Rico. A local court has appointed a master who will come into Washington and he will do a comprehensive study, an analysis of our authority and our efforts to restore our vacant units and report back to the court.

I often read in the paper or hear on radio that there is a master that is going to come in and run our agency. That is not the case, sir. The master is a consultant. I thank you for the opportunity to be here.

RENT COLLECTION

Mr. DIXON. When the Mayor and City Council Chairman were present, we had a discussion concerning the whole issue of rent collections and I am wondering——

Mr. JENKINS. Our rate for rent collections is slowly but steadily increasing. Last year, it was approximately 83 percent and this year it is nearing the 90 percent mark.

Mr. DIXON. Is it still around the million dollar mark as it relates to——

Mr. JENKINS. It is a little above that, sir.

Mr. DIXON. What is the main problem in collecting rents: Is it billing or is it that people just don't have the money? Chairman Wilson was saying that there were some people who just took the attitude, if my neighbor is not paying, why should I be paying.

Mr. JENKINS. There is some of that. We are very, very aggressive and proactive in that area. As a matter of fact, what we have begun doing is for persons who are on public assistance if there is a demonstrated record of their not paying their rent, we can have the future rent subtracted from their monthly checks.

Mr. DIXON. Mr. Walsh?

Mr. WALSH. I have no questions, Mr. Chairman. I would like to thank Mr. Jenkins for his testimony and wish him luck in his new job.

Mr. DIXON. Thank you very much, Mr. Jenkins.

QUESTIONS FOR THE RECORD

I have some questions that I will submit for you to answer for the record.

[The Committee's questions and the Department's responses follow:]

DEPARTMENT OF PUBLIC AND ASSISTED HOUSING

QUESTION:

1. The Committee once again notes that you are presenting a plan to accelerate the repair of and occupancy of vacant units and thereby increase rent collections. (page 43)

   a. What operational changes do you plan in order to accelerate repair and occupancy of units? How much in additional resources, staff and funds, are budgeted to accelerate the repair work?

ANSWER:

   a. First, for the repair of non-mod vacant units, the department has reorganized and strengthened the Vacant Unit Repair staff into a special strike force comprised of two (2) teams, one of which repairs backlog vacant units and the other of which repairs turnaround vacant units. The coordinator of the strike force reports daily to the Director. The team leaders meet weekly with the Vacant Unit Repair Task Force comprised of other critical members of the department's staff, and with the staff of the Architect Research Institute (ARI) of the University of the District of Columbia (UDC).

   Second, through an interagency agreement, UDC/ARI provides technical assistance to the department by preparing the construction packages for the major non-mod vacant unit repairs and the repairs of scattered site properties in the department's inventory.

   Third, the department has identified federal funds that can be reprogrammed to pay for the repair of the non-mod vacant units. The necessary financial documents and request forms are being completed and will be submitted to the U. S. Department of Housing and Urban Development (HUD) for approval. Preliminary discussions with HUD have been encouraging.

   Finally, the department plans to apply for additional federal funds that will be available through a new HUD national vacant unit repair initiative that will provide funds over a two year period for the repair of backlog vacant unit. The department will respond to the Notice of Funds Availability (NOFA) as soon as it is published.

QUESTION:

b. What is your projection of the increase in occupied units as a result of the accelerated repair work? How much in additional rent will be collected from these units? Will the accelerated repairs be cost effective?

ANSWER:

b. The number of occupied units should increase as a result of the accelerated repairs of vacant units. However, a precise number is difficult to predict since vacancies occur daily and the profile of the persons on the waiting lists may not always match the particular units available for occupancy. Likewise, the amount of additional rent is difficult to forecast since the rents charged are on a sliding scale. Since most of the vacant non-mod units will be repaired by the in house staff, the accelerated repairs will be cost effective.

QUESTION:
2. In April 1993 your Department's operations were placed under the supervision of a court appointed master. Please explain how this situation arose and why the District was unable to take action, satisfactory to the court, to prevent the appointment of the master. What is the exact role of the court appointed master in the day to day operation of the Department?

ANSWER:
2. In May 1993, Judge Graae of the D. C. Superior Court appointed James Stockard, a public housing specialist from Cambridge, Massachusetts, to evaluate existing procedures and operations of the Department of Public and Assisted Housing and to provide the court with a series of reports on his findings, culminating in a set of final recommendations regarding the future administration of the agency. Mr. Stockard's final recommendations are to be submitted to Judge Graae by November 1, 1993.

Judge Graae took this action in response to a lawsuit brought in October 1992, by plaintiffs who were among the over 11,000 (now over 8,000) persons on the public housing waiting list for the District of Columbia. The plaintiffs argued that DPAH constructively demolished the more than 2,000 vacant units in its backlog because the units have been vacant and not repaired for over five (5) years.

How this situation arose and why the District was unable to take action, satisfactory to the court, to prevent the appointment of the master, are not easy questions to answer simply. First, the District of Columbia argued strongly in court against the appointment of the special master because of the nomination by the Mayor of a new director of the agency. However, the judge did not find this argument persuasive. Second, the department has been on the HUD troubled housing list for more than ten (10) years during which time the department has had ten (10) directors. Third, public housing in the District of Columbia and the department have experienced numerous systemic problems over the years. These problems have been exacerbated by the many changes in leadership and management styles. For example, since 1987, when the department was reorganized into the Department of Public and Assisted Housing, there have been five (5) directors.

Mr. Stockard does not supervise the department in any way and is not involved in the day to day operations of the agency. The day to day operations and the management of the department remain under the leadership of Robert K. Jenkins, Jr., Director of the department, and Mr. Jenkins' staff.

QUESTION:

a. When and by what process can your Department be removed from oversight by the master?

ANSWER:

a. Mr. Stockard is required by court order to submit his recommendations to Judge Graae on November 1, 1993 regarding vacant unit repair and other administrative and management problems he uncovers during the course of his evaluation. The department, the Mayor, members of the Council of the District of Columbia, officials of the United States Department of Housing and Urban Development, and any other interested party (s) may respond to Mr. Stockard's recommendations by submitting written comments to the court within a specified period of time. Judge Graae will take the recommendations and the comments under advisement before issuing his final ruling.

QUESTION:

3. The executive budget highlights has the one year training program in your department for Building and Apartment Maintenance (BAM) as an accomplishment:

a. What training did the 75 employees of your department receive under this program?

ANSWER:
3. a. The department availed itself of a recognized training program provided by trades organizations designed to certify employees as skilled maintenance technicians, specifically in the electrical, carpentry, and plumbing trades.

QUESTION:
3. b. Why was it necessary to train employees, already working in your department, in what seems to be basic skills for employees of a public housing agency?

ANSWER:
3. b. The BAM training program provided cross training for journeymen level employees, training to complement the decentralization of the department's maintenance functions so that maintenance employees can perform over 90% of the maintenance work on site, and training to up-grade the skills of the department's laborers.

QUESTION:
4. How were staffing reduction decisions made regarding public housing maintenance personnel?

ANSWER:
4. The department will undergo a Reduction-in-Force (RIF) prior to September 30, 1993. Prior to the RIF, NTE (Not To Exceed) employees whose terms expired in May through July 1993 were not extended. Approximately forty-three (43) employees were maintenance workers who had been hired in the last few years.

QUESTION:
4. a. What was the economic rationale for cutting maintenance workers?

ANSWER:
4. a. The previous Director of the department planned to contract out the maintenance work as a cost savings measure.

QUESTION:
4. b. What staff reductions were considered in lieu of cutting maintenance personnel?

ANSWER:
4. b. None.

QUESTION:
5. The budget proposed reliance on Federal funds and rental collections for operating funds in lieu of the $43.1 million in general fund subsidy. In view of this change, please provide the following:

a. Have you identified specific sources of additional Federal funding? If so, what are the sources and amounts? Why have these sources not been used in the past?

ANSWER:
5. a. The department continues to apply for appropriate federal grants and will aggressively pursue other sources of federal funds as they become available.

QUESTION:
5. b. How do you plan to increase rental collections? What is your current situation with rents, i. e., tenants behind and how do you plan to improve it?

ANSWER:
5. b. The department pursues a variety of rent collection procedures designed to increase rental income. These procedures include sending delinquent rent letters on a monthly basis; issuing 30 day Notices to Vacate; entering into repayment agreements; referring residents to the local office for emergency assistance; and submitting delinquent cases to the Office of the Corporation Counsel for the District of Columbia for legal action.

QUESTION:
5. c. What contingency plans have been made to offset any shortage in operating funds caused by the loss of the $3.1 million subsidy?

ANSWER:
5. c. None.

QUESTION:
5. d. How will your department avoid a reduction in physical plant maintenance if the $3.1 million is not offset by rent collections and/or Federal funds?

ANSWER:
5. d. The department does not expect a reduction in physical plant maintenance.

QUESTION:
6. How many public housing units are vacant?

ANSWER:
6. The department has approximately 2,000 vacant units, including non-modernization units and units that require comprehensive modernization.

QUESTION:
6. a. How many are under renovation?

ANSWER:
6. a. Plans are being made to renovate all of the department's vacant units.

QUESTION:
6. b. How long does it take on average to renovate a unit? I believe last year it was 141 days (p. 1592, part 1, FY 1993, D. C. hearings).

ANSWER:
6. b. The average time for vacant unit renovation has been reduced to 124 days. However, the department plans to continue its efforts to repair all of the backlog vacant units and to reduce the vacant unit turnaround time.

QUESTION:
7. In response to a question for the record last year concerning a Rivlin Commission automatic deduction from tenants for rent collections (p. 1597, part 1, FY 1993 D.C. hearings), the department responded that it was moving forward to collect an estimated $1.2 million in delinquent rents owed by 425 District government employees.

a. How successful have you been in collecting those delinquent rents?

ANSWER:

7. a. The department is satisfied with the success of its efforts to collect delinquent rents.

QUESTION:

7. b. What is your current rent collection rate? Last year the department's rent collections were averaging 87 percent or $1.6 million each month (p. 1596, part 1, FY 1993 D. C. hearings).

ANSWER:

7. b. The HUD reporting format for rent collections has changed in the last year. The department's quarterly rent collection rate is very close to the projected average contained in its Memorandum of Agreement.

BUDGET REQUEST OF CONSUMER AND REGULATORY AFFAIRS

Mr. DIXON. Next, we have the Department of Consumer and Regulatory Affairs, and we have the Acting Director Joan Parrott-Fonseca.

The Department of Consumer and Regulatory Affairs is requesting $25,223,000, and 563 positions for fiscal year 1994, which is a net reduction of $2,211,000 and 42 positions below last year's appropriated level.

For the FY 1993 supplemental, you are requesting a reduction of $1,658,000 and 42 positions.

PREPARED STATEMENT OF DIRECTOR OF DCRA

If you have a prepared statement we will place it in the record at this point. If there are some comments you would like to highlight we would be pleased to hear them at this time.

Ms. PARROTT-FONSECA. Good afternoon. I am pleased to be here today and I will submit my testimony for the record.

[The prepared statement referred to follows:]

TESTIMONY
OF
JOAN PARROTT-FONSECA
ACTING DIRECTOR
DEPARTMENT OF CONSUMER AND REGULATORY AFFAIRS
ON FISCAL YEAR 1993 REVISED BUDGET
AND
FISCAL YEAR 1994 BUDGET REQUESTS
BEFORE
D.C. APPROPRIATIONS SUBCOMMITTEE
HOUSE COMMITTEE ON APPROPRIATIONS
U.S. HOUSE OF REPRESENTATIVES
MAY 27, 1993

****

GOOD AFTERNOON, MR. CHAIRMAN AND MEMBERS OF THE SUBCOMMITTEE. I AM JOAN PARROTT-FONSECA, ACTING DIRECTOR OF THE DEPARTMENT OF CONSUMER AND REGULATORY AFFAIRS (DCRA). I AM HERE TODAY TO DISCUSS OUR DEPARTMENT'S BUDGET REQUEST FOR FY '94 AND THE FY '93 SUPPLEMENTAL BUDGET REQUEST.

THE MISSION OF THE DCRA IS TO PROTECT THE HEALTH AND SAFETY OF CITIZENS, CONSUMERS, AND VISITORS WITHIN THE DISTRICT OF COLUMBIA. DCRA LITERALLY TOUCHES THE LIVES OF EVERY DC CITIZEN AND VISITOR IN SOME WAY. WE FULFILL OUR MANDATE BY REGULATING BUSINESS ACTIVITIES; LAND AND BUILDING USE; OCCUPATIONAL AND PROFESSIONAL STANDARDS AND CONDUCT; RENTAL HOUSING AND CONDOMINIUMS; HEALTH AND SOCIAL SERVICE CARE FACILITIES; AND THE PHYSICAL ENVIRONMENT.

IN ADDITION, THE DEPARTMENT ENFORCES APPLICABLE REGULATIONS TO ENSURE COMPLIANCE WITH THE STATUTES OF THE DISTRICT OF COLUMBIA; PROVIDES PROTECTION IN INSTANCES WHERE CONSUMERS HAVE BEEN MISLED, DECEIVED OR DAMAGED BY A MERCHANT; AND, PROVIDES COMMUNITY OUTREACH AND CONSUMER INFORMATION PROGRAMS TO DEVELOP PUBLIC AWARENESS OF DEPARTMENTAL ACTIVITIES.

IN FY '92 DCRA ISSUED 140,000 LICENSES AND PERMITS AND PERFORMED OVER 127,000 INSPECTIONS WITH OVER 90% OF ALL RECORDS MAINTAINED MANUALLY. DURING FY '92, DCRA ALSO CONDUCTED A WIDE RANGE OF ADMINISTRATIVE HEARINGS INCLUSIVE OF CIVIL INFRACTIONS, CONSUMER PROTECTION, LANDLORD AND TENANT DISPUTES AND PROFESSIONAL DISCIPLINARY PROCEEDINGS. WE ALSO RECEIVED SEVEN HUNDRED AND EIGHTY-THREE (783) FREEDOM OF INFORMATION ACT REQUESTS, THE SINGLE LARGEST NUMBER OF FOIA REQUESTS IN THE ENTIRE DC GOVERNMENT AND RESPONSES TO THEM WERE MANUALLY PROCESSED.

DCRA REGULATED THE ACTIVITY OF OVER 71,000 PRACTICING PROFESSIONALS AND DCRA HAS RESPONSIBILITY FOR ADMINISTERING 28 ENVIRONMENTAL STATUTES AND REGULATIONS. IN FACT, IT WOULD TAKE OVER AN HOUR TO DETAIL ALL THE SERVICES WE PROVIDE.

NEVERTHELESS, SINCE 1988, THE DEPARTMENT HAS EXPERIENCED CONSTANT AND SUBSTANTIAL REDUCTIONS IN RESOURCES CONSISTENT WITH THE

CHANGING ECONOMIC CLIMATE; WHILE THERE HAS BEEN AN INCREASED DEMAND FOR SERVICES. DCRA IS NOW PERCEIVED AS AN IMPEDIMENT TO BUSINESS DEVELOPMENT AND CITIZENS QUESTION THE AGENCY'S ABILITY TO PROTECT THEIR HEALTH AND SAFETY.

AS WE FACE THIS NEW BUDGET CYCLE IT APPEARS THAT MONEY AND RESOURCES WILL CONTINUE TO BE SCARCE FOR THE DISTRICT OF COLUMBIA. WE MUST CHANGE THE WAY WE DO BUSINESS BY ADOPTING CUSTOMER-FRIENDLY SYSTEMS AND BY STREAMLINING THE GOVERNMENT'S OPERATIONS.

WE HAVE BEGUN TO IMPLEMENT A NUMBER OF OPERATIONAL CHANGES THROUGHOUT THE AGENCY. ALL OFFICE CHIEFS AND ADMINISTRATORS HAVE BEGUN TO CONDUCT A COMPREHENSIVE REVIEW OF ALL POLICIES AND PROCEDURES; TO ELIMINATE THOSE THAT ARE UNNECESSARY, OVERBURDENSOME, AND FISCALLY UNREALISTIC; AND, TO ADOPT STREAMLINED, CUSTOMER-FRIENDLY OPERATIONS. FOR EXAMPLE, MORE EMPHASIS HAS BEEN PLACED ON MEDIATION, COMPLAINT RESOLUTION, AND FILING CLASS ACTIONS TO RESOLVE CONSUMER COMPLAINTS. WHERE POSSIBLE, CASES WHICH ALLEGE CRIMINAL ACTION ARE BEING REFERRED TO THE DC POLICE DEPARTMENT FOR INVESTIGATION.

MOST IMPORTANTLY, WE MUST ACKNOWLEDGE THAT COMPLETE AUTOMATION IS THE KEY TO DCRA OPERATING AS A SUCCESSFUL AGENCY. WE MUST STIMULATE OUR CREATIVITY AND DISCOVER METHODS TO FINANCE THE MUCH NEEDED AUTOMATION.

DCRA IS WORKING IN A NUMBER OF PUBLIC/PRIVATE PARTNERSHIPS WITH LOCAL BUSINESSES AND CORPORATIONS TO STUDY THE COMPREHENSIVE AUTOMATION NEEDS OF THE AGENCY, TO EXPLORE OPTIONS FOR IMPROVEMENT IN SERVICE DELIVERY WITH MEMBERS OF THE BUSINESS COMMUNITY, AND TO PROVIDE CUSTOMER SERVICE AND TOTAL QUALITY MANAGEMENT TRAINING FOR OUR EMPLOYEES.

THE MAYOR HAS INITIATED A CITIZEN'S ADVISORY PANEL COMPRISED OF COMMUNITY MEMBERS WHO WILL ASSIST IN IDENTIFYING AND RESOLVING BROAD-BASED COMMUNITY CONCERNS. DCRA WILL WORK WITH THIS PANEL TO INTRODUCE THE PUBLIC TO A MORE REALISTIC PERSPECTIVE OF OUR SERVICE DELIVERY CAPABILITIES AND INCLUDE THEM IN CLARIFYING AND REDEFINING OUR ROLES AS REGULATORS. HOPEFULLY, THIS COOPERATIVE APPROACH WILL RESULT IN DCRA PROVIDING A TOTAL QUALITY AND USER-FRIENDLY ENVIRONMENT.

DCRA IS, IN MANY WAYS, AT THE HEART OF ECONOMIC DEVELOPMENT IN THE DISTRICT OF COLUMBIA. DCRA IS ONE OF THE FEW AGENCIES WITHIN THE DISTRICT OF COLUMBIA GOVERNMENT THAT GENERATES INCOME, AND IN MANY RESPECTS, ALL OF THE OTHER REVENUE COLLECTED BY THE DISTRICT OF COLUMBIA FLOWS FROM THE ACTIVITIES AT DCRA, INCLUDING BUT NOT LIMITED TO, PROPERTY TAXES AND INCOME TAXES. ALL OF THE MONEY THAT THE DEPARTMENT OF FINANCE AND REVENUE COLLECTS FROM BUILDINGS, HOMES AND STRUCTURAL IMPROVEMENTS IS ULTIMATELY A RESULT OF A PERMIT OR A LICENSE ISSUED BY DCRA. DCRA GENERATES INCOME, EMPLOYMENT AND OTHER OPPORTUNITIES FOR THE DISTRICT OF COLUMBIA.

WE ATTRACT NEW INDIVIDUALS INTO THE CITY BY THE IMPRESSION WE CREATE AT DCRA. THE PROMPTNESS WITH WHICH WE ISSUE BUSINESS LICENSES, PROFESSIONAL LICENSES AND BUILDING PERMITS IS KEY TO OUR SUCCESS AND VITAL TO THE GROWTH AND INDEPENDENCE OF THE CITY GOVERNMENT.

I APPRECIATE THE OPPORTUNITY TO COME BEFORE YOU AND AM AVAILABLE TO ANSWER ANY QUESTIONS YOU MAY HAVE AT THIS TIME.

Department of Consumer and Regulatory Affairs

Agency Overview

Mission

The Department of Consumer and Regulatory Affairs (DCRA) supports, enhances and protects the health, safety, and economic welfare of District of Columbia residents and businesses.

Agency Description

The Department of Consumer and Regulatory Affairs consists of seven operating administrations and six administrative support offices. The department achieves its mission by regulating business activities, land and building use, occupational and professional conduct, rental housing and condominiums, health and social service care facilities, and the physical environment. DCRA enforces applicable regulations to ensure compliance with the statutes of the District of Columbia; and seeks to increase awareness of its functions and develop working relationships within the community through public and private partnerships. DCRA plays an integral role in the economic development of the District of Columbia and will continue to facilitate economic growth in the city through its regulatory initiatives.

The work of the department is carried out through four major programs.

- Compliance and Enforcement--consists of complaint review, investigation, enforcement, and adjudication.

- Inspections--covers the various regulatory inspections performed by the department. This includes food inspections, building inspections, housing inspections, and health and service facility inspections.

- Licensing and Regulation--covers all licensing and permit related activity. This includes all occupational, professional, insurance, and business licenses as well as building permits, rental accommodation activities, historic preservation functions, and environmental control operations.

- Executive Direction and Management--includes all administrative and support functions.

Agency Budget Summary

FY 1994: The department's total budget for FY 1994 is $36,878,000 and 709 full-time equivalent (FTE) positions, a decrease of $31,000 and an increase of 25 FTEs above the revised FY 1993 budget. The FY 1994 appropriated budget request for the Department of Consumer and Regulatory Affairs is $25,223,000 and 563 FTE positions, a decrease of $2,211,000 and 42 FTEs from the approved FY 1993 budget.

FY 1993 Revised: The revised FY 1993 budget request is $25,776,000 and 562 FTEs, a reduction of $1,658,000 and 43 FTEs from the approved budget. The nonappropriated budget request for FY 1994 is $11,655,000 and 146 FTEs, an increase of $522,000 and 24 FTEs from the revised

FY 1993 budget. The modifications are described in detail in the program sections of the budget. Major changes include the following:

- The FY 1994 appropriated budget has been reduced by 12 FTEs and $410,000 as part of the effort to reduce the size of government.

- Insurance Transfer - The operations of the Insurance Administration, $1,301,000 in funding and 28 FTEs are reduced from the appropriated budget in FY 1994, the FTEs and the Insurance operations will be transferred to a nonappropriated funding source.

- Management Audit Recommendations - In concurrence with the departmental management audit, $100,000 and 2 positions are reduced from the FY 1994 budget. To reduce the cost of government in the District, the department will abolish the Office of Administration and Management. The functions of the Office will be divided between the Office of the Controller and the Office of Information Systems. Two administrative positions, one DS-15 administrator and one DS-07 secretary will also be abolished. There will be no significant impacts on departmental service delivery. The positions will be reduced in the revised FY 1993 budget request as will.

- Personnel Redirection - Five FTEs and $124,000 is redirected throughout the four control centers in FY 1994.

- Automation Reduction - A reduction of $400,000 for equipment purchases in FY 1994. An equal amount was redirected in the revised FY 1993 budget to purchase the necessary equipment.

- Automation Redirection - A redirection of $400,000 is redirected from personal services to nonpersonal services to purchase automation equipment in the revised FY 1993 budget.

- FY 1993 Furlough Reduction - An estimated savings of $955,000 and 29 FTEs are reduced in the revised FY 1993 budget through the institution of furloughs.

- FY 1993 Step Increase Savings - Savings of $224,000 are reduced from the revised FY 1993 budget through the denial of step increases.

- FY 1993 Hiring Delays - Savings of $379,000 and 12 FTEs are reduced in the revised FY 1993 budget from the delay in hiring of vacant funded positions.

Department of Consumer and Regulatory Affairs

Table I **Agency Staffing and Funding Detail**

Programs	Staffing (FTE Positions)				Funding			
	FY92 Actual	FY93 Budget	FY93 Revised	FY94 Proposed	FY92 Actual	FY93 Budget	FY93 Revised	FY94 Proposed
Executive Direction & Management	125.6	102.0	99.0	91.0	6,277,542	6,913,000	7,566,000	5,957,000
Compliance and Enforcement	42.7	89.0	82.0	82.0	4,489,179	3,850,000	3,606,000	3,562,000
Inspections	153.6	221.0	208.0	217.0	7,226,262	11,155,000	10,332,000	11,027,000
Licensing and Regulation	154.9	308.0	295.0	319.0	7,120,166	16,040,000	15,405,000	16,332,000
Housing and Environmental Regulation Adm	192.6	0.0	0.0	0.0	8,989,784	0	0	0
Total Agency	669.4	720.0	684.0	709.0	34,102,933	37,958,000	36,909,000	36,878,000
Appropriated Funds	578.1	605.0	562.0	563.0	28,329,816	27,434,000	25,776,000	25,223,000
Federal Funds	73.6	99.0	99.0	95.0	3,440,725	6,563,000	6,563,000	5,784,000
Intra-District Funds	4.7	1.0	8.0	8.0	935,649	59,000	663,000	663,000
Other Funds	13.0	15.0	15.0	43.0	1,396,742	3,902,000	3,907,000	5,208,000

Budget Strategy and Impacts

Strategy: Excluding the $1,301,000 reduced from the appropriated budget as a result of the transfer of the Insurance Administration to a nonappropriated funding source in FY 1994, the total reduction in funding to the department is $910,000. The savings required will be accomplished through the consolidation of offices, eliminating administrative overhead, and through ADP Program reductions.

Impacts: There will be no impact on departmental service delivery to the public or business community, however there will be considerable delays in the automation of the department.

Department of Consumer and Regulatory Affairs

Table II **Agency Outputs**

Measures	FY 1991	FY 1992	FY 1993	FY 1994
Licenses and Permits Issued	139,837	139,544	148,672	151,672
Inspections Performed	120,472	127,369	132,074	134,373
Investigations	5,248	3,799	4,665	4,795
Complaints Closed	2,625	1,805	2,685	2,685
Cases Adjudicated/Hearings Held	2,024	2,518	2,579	2,810
Licenses Issued	101,179	109,408	120,672	123,672
Corporations/Partnerships filed	5,345	4,644	5,000	5,000
Building Permits	31,658	30,136	28,000	28,000
Rental Housing Clients Serviced	61,852	29,065	30,000	30,000
Legislation Introduced	7	8	7	7
Rules Promulgated	7	15	10	10
Training Activities	285	204	250	250
Broadcast Interviews & Public Service Ancmt.	83	162	170	175
Revenue Collected ('000s)	51,911	51,777	58,485	71,446
Contracts	29	6	6	6
Consumer Complaints Closed	2,317	1,805	2,685	2,685
Investigations Closed	5,248	3,799	4,665	4,795
Enforcement Actions Closed	5,250	3,797	3,275	3,275
Mediations/Arbitrations	1,261	1,285	1,685	1,685
Adjudications	1,975	2,497	2,534	2,765

Table V **Agency Appropriated Summary by Expenditure Type**

Expenditure Type	Staffing (FTE)				Funding			
	FY 92 Actual	FY 93 Budget	FY 93 Revised	FY 94 Proposed	FY 92 Actual	FY 93 Budget	FY 93 Revised	FY 94 Proposed
Personal Services								
Regular Pay	545.5	605.0	562.0	563.0	19,345,962	20,201,000	18,382,000	18,594,000
Other Pay	32.6	0.0	0.0	0.0	889,442	60,000	60,000	60,000
Additional Gross Pay	0.0	0.0	0.0	0.0	649,749	4,000	4,000	4,000
Fringe Benefits	0.0	0.0	0.0	0.0	2,883,234	3,426,000	3,187,000	3,235,000
Total Personal Services	578.1	605.0	562.0	563.0	23,768,387	23,691,000	21,633,000	21,893,000
NonPersonal Services								
Supplies					199,118	235,000	235,000	233,000
Energy					79,570	31,000	31,000	31,000
Communications					496,884	313,000	313,000	313,000
Building Rent					339,871	248,000	248,000	248,000
Other Services & Charges					2,875,763	1,925,000	2,325,000	1,514,000
Subsidies & Transfers					0	0	0	0
Equipment					570,222	991,000	991,000	991,000
Total NonPersonal Services					4,561,428	3,743,000	4,143,000	3,330,000
TOTAL AGENCY	578.1	605.0	562.0	563.0	28,329,815	27,434,000	25,776,000	25,223,000

OVERVIEW OF DCRA PROGRAMS

Ms. PARROTT-FONSECA. I think it is important for me to take just a couple of minutes to put DCRA in historical context and where we are today and where we hope to go.

In 1983, the Department of Consumer Regulatory Affairs was basically created to bring together all the regulatory functions that were across the city. For example, if you were to get a building permit you had to go to 14 different sites to do so. The same thing with homeowners, anything to be built you had to go to several different places. The idea was to put all those types of regulatory functions in one place. There was to be complete automation and a licensing system which was efficient and timely.

DIMINISHED RESOURCES AND NEGATIVE PRESS

Over time, based on dwindling resources and other factors, the staff of DCRA over the last 10 years has dwindled 50 percent, although the mandate has increased. We had to take a very hard look this year at the way we do business. The Washington Post and the Times have had several articles that were not very good about DCRA and our service.

Mr. DIXON. About your agency?

Ms. PARROTT-FONSECA. Yes.

Mr. DIXON. Recently?

Ms. PARROTT-FONSECA. Nightmare on H Street, I know them by heart. We have gotten several and I would be less than honest if I didn't say that we have gotten several complaints from the business community in terms of our permit process. Most complaints center around resources rather than employees.

CHANGING SERVICE DELIVERY STRATEGY

We have to look at how we do business and change the expectations of our customers. In the last few months, we have begun to institute some of the recommendations of the Rivlin and the Washington committee report. The committee formed a group of business people that came together to basically come up with recommendations for each of the large functional areas in District government. We decided that not only was automation the key, but that we must streamline our procedures and to basically eliminate burdensome legislation where we could. In addition, we must harness our human capital by training our staff.

Today, we have negotiated agreements with C&P Telephone Company and all of our counter employees go through customer service training. We entered into an agreement with Xerox Corporation in which they will be using us as a model for different mail our services so that our bills will be uniformed. We have also facilitated a corporate advisory panel composed of corporations and small business concerns.

So I am here today to tell you that DCRA has begun a new era of service. We are committed to that. DCRA has been working very closely with George Brown because most of what we do is the center of the business communities. Although plagued with problems, I feel much better than I did last year about where we are.

CONTROLLING STREET VENDORS

Mr. DIXON. From time to time we have witnesses from the Adams Morgan area that come here and complain about too many vendors and either the vendors don't clean up or the city doesn't clean up. I assume you license those vendors?

Ms. PARROTT-FONSECA. Yes, but part of the problem is that we have bifurcated responsibilities with the Metropolitan Police Department. We cannot arrest a vendor. We can give a vendor a ticket.

Last year when we came before you, we talked about a study that we had commissioned. We got that study back and it was helpful but the problem is far too complex to be solved by that one study. The problem involving vendors is an economic development issue so we took it to the cluster, the economic development cluster. That way we could have the benefit of the planning department, as well as those other agencies that have some part in the vendor situation. We came up with a task force and then we started to hear from the vendors themselves and we have included them on our task force.

We realized that most of the focus on vendors is around the downtown area. So we started to look at other cities, like New York and Philadelphia. New York started to open areas in economically deprived areas such as Harlem, they have a bazaar which is very fruitful for the city. We are looking to open up vending opportunities throughout the city so that the vendors won't feel they have to compete for these downtown spaces.

In terms of the compliance issues, we have been working with the task force so that we can engage in compliance activities that are more comprehensive, inclusive of all affected agencies.

Mr. DIXON. Mr. Walsh?

Mr. WALSH. No questions. Thank you.

Mr. DIXON. Thank you very much for your testimony today.

QUESTIONS FOR THE RECORD

I have some questions that I will submit for you to answer for the record.

[The Committee's questions and the Department's responses follow:]

Department of Consumer and Regulatory Affairs

QUESTION:
1. The budget (page 34, Executive Budget) refers to "new and creative revenue generating proposals" being implemented in your department to make your department more self-supporting and less reliant on the general fund:

a. What does your department have in mind in the area of revenue generating proposals?

b. As revenue changes are proposed and made effective will you need council action?

c. Do you ultimately see any reason that your department should not be entirely self-supporting?

ANSWER:
1. DCRA has submitted to the executive for review and approval four proposals to increase user fees in the following administrations.

. Occupational and Professional Licensing (OPLA)
. Insurance (IA)
. Building and Land Regulation (BLRA)
. Housing Regulation (HRA)

It is anticipated that fee increases in the aforementioned administrations will generate annually additional revenue of $12.4 million.

Council action will be required for the fee proposals of IA, BLRA and HRA.

Based on actual revenue generated in FY 92 ($51.7 million), the department is self-supporting.

QUESTION:
2. During the past few years we talked about the Adams Morgan area and the complaints by residents about vendors parking all day and then leaving their trash on the street when they leave (p. 1894, part 1, FY 1993 D.C. Hearings).

Last year your department commissioned a study to go out and identify what the active vending strips are and identify each vending spot within those strips. The department's plan was to have no more than four vendors on one city block.

a. What did the study show?

b. Have you implemented the four-vendor per block plan?

ANSWER:
2. In August of 1992, the Department of Consumer and Regulatory Affairs received a completed study which identified specific vending sites in the Central Vending Zone and on Columbia Road, N.W., between 18th Street, N.W. and 16th Street, N.W., Columbia Road being within the Neighborhood Commercial Zone. The Study designated approximately four (4) vending sites per block.

The Mayor has established a Task Force comprised of members of the vending community and representatives of various District government agencies, to develop a comprehensive plan for vending and fixed location businesses and physically enhances the aesthetic character of the Nations Capitol.

Currently, complaints pertaining to trash are referred to the Metropolitan Police Department's Vending Unit. Any complaints involving motor vehicles are referred to the Department of Public Works, Bureau of Parking Services. These offices have the responsibility for enforcing the aforementioned violations.

Office of Banking & Financial Institutions

Agency Overview

Mission

The mission of the Office of Banking and Financial Institutions (OBFI) is to serve as the primary regulator of locally chartered financial institutions.

Agency Description

The mission of OBFI is currently implemented through three Divisions: Safety and Soundness Division, Legal Division and Community and Economic Development Division. These Divisions review charter applications and merger applications, issue charters and recommendations on mergers, regulate and examine chartered entities, enforce the District's financial institutions law, negotiate and design community development plans and investigate claims of illegal banking activity. The regulatory sphere embraces all financial institutions including commercial banks, saving associations, trust companies and others. OBFI also provides consumer assistance in resolving issues with financial institutions and educational opportunities on financial topics.

OBFI will continue to promote and maintain, to the extent possible, an economic climate and regulatory framework that encourages financial institutions to organize and operate in the District of Columbia. OBFI also has a mandate to assure that all financial institutions under the supervision or control of OBFI provide financial services to the public in a manner that fosters the development and revitalization of housing, commercial corridors and underserved neighborhoods in the District. Also, to help meet the credit and deposit-service needs of residents of the District who are members of a minority group or have low and moderate incomes, and expand financial and technical support for small businesses.

The work of the agency is implemented through the following major programs:

- Safety and Soundness Division - responsible for promoting and assuring the safety and soundness of District of Columbia chartered financial institutions as well as monitoring the financial condition of financial institutions located in the District.

- Legal Division - charged with developing and updating legislation and regulations to implement office functions, staying abreast of legal and regulatory developments and the review of all legal matters before the office.

- Community and Economic Development Division - assures that financial services are provided in a non-discriminatory manner to all residents and businesses in the District, educates the public about the financial institutions industry, assists financial institutions in developing community development lending plans, and keeps in touch with the community to monitor and evaluate the performance of financial institutions and the implementation of community development plans.

Office of Banking & Financial Institutions

Agency Budget Summary
FY 1994: The total FY 1994 budget from all funding sources is $672,000 and 8 FTEs, no change in funding or FTEs from the FY 1993 budget. The *appropriated* FY 1994 budget request is $662,000 and 8 FTEs, no change from the FY 1993 budget.
FY 1993 Revised: The revised FY 1993 budget is $658,000 and 8 FTEs, a decrease of $4,000. The *nonappropriated* budget request for FY 1994 is $10,000, no change from the FY 1993 budget.

Major changes include the following:

- A reduction of $4,000 for the denial of within-grades in the revised FY 1993 budget.

Budget Strategy & Impacts
Strategy: The workload and service demands on the agency will continue at present levels or increase. Although the office is understaffed, the office will continue to promote and encourage economic development through the application process, create a regulatory environment conducive to chartering on the local level and investigate and examine financial institutions within OBFI's jurisdiction.

Impacts: With the number of current staff, it will be challenging to effectively handle the workload. The monitoring process, implementation of full and complete monitoring procedures, the performance of timely investigations and examination procedures, as well as the establishment of comprehensive and timely operating procedures and policies will be effected.

Table I **Agency Staffing and Funding Detail**

Programs	Staffing (FTE Positions)				Funding			
	FY92 Actual	FY93 Budget	FY93 Revised	FY94 Proposed	FY92 Actual	FY93 Budget	FY93 Revised	FY94 Proposed
Office of Banking and Financial Institutions	0.0	8.0	8.0	8.0	0	672,000	668,000	672,000
Total Agency	0.0	8.0	8.0	8.0	0	672,000	668,000	672,000
Appropriated Funds	0.0	8.0	8.0	8.0	0	662,000	658,000	662,000
Federal Funds	0.0	0.0	0.0	0.0	0	0	0	0
Intra-District Funds	0.0	0.0	0.0	0.0	0	0	0	0
Other Funds	0.0	0.0	0.0	0.0	0	10,000	10,000	10,000

Office of Banking & Financial Institutions

Table II **Agency Outputs**

Measures	FY 1991	FY 1992	FY 1993	FY 1994
Community Development $'s Committed	4,000	140,000	80,000	100,000
Preliminary Applications	4	4	7	7
Interstate Acquisitions Received	1	1	1	2
Community Development Plans Received	2	2	3	4
Financial Institutions Chartered	2	2	2	2
Promotion Information distributed	0	500	500	500
Bank Conferences	3	4	4	4
Work groups established	3	7	4	4

Table III **Agency Appropriated Summary by Expenditure Type**

Expenditure Type	Staffing (FTE)				Funding			
	FY 92 Actual	FY 93 Budget	FY 93 Revised	FY 94 Proposed	FY 92 Actual	FY 93 Budget	FY 93 Revised	FY 94 Proposed
Personal Services								
Regular Pay	0.0	8.0	8.0	8.0	0	397,000	393,000	397,000
Other Pay	0.0	0.0	0.0	0.0	0	0	0	0
Additional Gross Pay	0.0	0.0	0.0	0.0	0	0	0	0
Fringe Benefits	0.0	0.0	0.0	0.0	0	54,000	54,000	54,000
Total Personal Services	0.0	8.0	8.0	8.0	0	451,000	447,000	451,000
NonPersonal Services								
Supplies					0	3,000	3,000	3,000
Energy					0	0	0	0
Communications					0	7,000	7,000	7,000
Building Rent					0	160,000	160,000	160,000
Other Services & Charges					0	31,000	31,000	31,000
Subsidies & Transfers					0	0	0	0
Equipment					0	10,000	10,000	10,000
Total NonPersonal Services					0	211,000	211,000	211,000
TOTAL AGENCY	0.0	8.0	8.0	8.0	0	662,000	658,000	662,000

STATEMENT
OF THE
OFFICE OF BANKING AND FINANCIAL INSTITUTIONS
BEFORE THE
U.S. HOUSE OF REPRESENTATIVES HEARINGS
ON THE
FY 1994 BUDGET AND FY 1993 SUPPLEMENTAL BUDGET

I. MISSION

The mission of the Kelly Administration in connection with District financial institutions is implemented through the Office of Banking and Financial Institutions ("OBFI"). The OBFI Supplemental Budget request is $658,000 for fiscal year ("FY") 1993. The FY 1994 Budget request is $581,000.

OBFI is organized around three Divisions: Safety and Soundness Division, Legal Division and Community and Economic Development Division. Through these Divisions we review charter applications and merger applications, issue charters and recommendations on mergers, regulate and examine chartered entities, enforce the District's financial institutions law, negotiate and design community development plans and investigate claims of illegal banking activity. Our regulatory sphere embraces a number of financial institutions including commercial banks, saving associations, trust companies and others. We also provide consumer assistance in resolving issues with financial institutions and provide educational opportunities on financial topics.

OBFI is charged with promoting and maintaining, to the extent possible, an economic climate and regulatory framework that will encourage financial institutions to organize and do business in the District of Columbia. OBFI also has a mandate to assure that all financial institutions under the supervision or control of OBFI provide financial services to the public in a manner that fosters the development and revitalization of housing and commercial corridors and underserved neighborhoods in the District, help meet the credit and deposit-service needs of minority residents of the District or residents who have low and moderate incomes, and expand financial and technical support for small businesses.

a. Legal Division

The Legal Division (comprised of two full-time employees) is charged with developing and updating legislation and regulations to implement office functions and stay current with legal and regulatory developments. The Legal Division also renders opinions regarding the chartering and merger process and assists individuals with legal questions regarding practices by financial institutions. The Legal Division serves as the liaison to the Council of the District of Columbia and to the Banking Committees in Congress. The Legal Division, further, is the wing of OBFI which is charged with formally pursuing administrative and judicial enforcement of our statutes and regulations.

b. Safety and Soundness Division

The Safety and Soundness Division (comprised of one full time employee) is responsible for promoting and assuring the safety and soundness of District of Columbia chartered financial institutions. It is also the Division responsible for monitoring the financial condition of financial institutions located in the District. This is accomplished through the examination and monitoring of the operations of these institutions. The Safety and Soundness Division is the fact finding arm of OBFI utilized in examination of de novo and existing financial institutions and for investigation of unchartered, illegal or unsound banking practices. The Safety and Soundness Division works collaboratively with the Legal Division to establish safety and soundness policies for financial institutions regulated by OBFI. The Safety and Soundness Division is also involved in the review of applications for mergers and charters, as well as interactions with sister regulatory agencies.

c. Community and Economic Development Division

This Division (comprised of one full time employee) assures that financial services are provided in a non-discriminatory manner to all residents and businesses in the District of Columbia, with particular focus on the needs of residents with low and moderate incomes, members of minority groups and small businesses, minority-owned businesses and women-owned businesses. This Division also assists financial institutions in developing community development lending plans which will best meet these needs both during the application phase and the monitoring phase. This focus on target groups and target areas traditionally unserved or underserved by financial institutions furthers the goal of increasing community development and rehabilitating housing and neighborhood commercial corridors. The Community and Economic Development Division educates the public about the financial institutions industry and the role of OBFI, and educates the financial institutions industry about the need for community reinvestment.

Through this Division we keep in touch with the community to insure we are aware of their needs, and are properly monitoring community development activity, as well as gather from the community information regarding performance by financial institutions. Through this Division, OBFI develops valid and reliable tests and measurements to effectively monitor and evaluate the implementation of the goals contained in community development plans.

We currently monitor approximately 25% of the District banks. Our aim is to have working relationships with all District banks regarding their community development efforts regardless of whether they technically fall within our jurisdiction. Through our efforts

we can fulfill the promise of making opportunities available where none previously existed.

II. MAJOR AGENCY ACHIEVEMENTS

OBFI has negotiated over three quarters of a billion dollars of community development lending commitments with merger banks. In addition, the Office has handled approximately 1,000 consumer complaints and encouraged effective community development programs. Most recently, we negotiated a $600 million community development commitment with NationsBank Corporation in connection with their acquisitions of Sovran Bank/DC National and American Security, and a $200 million community development commitment with First Union Corporation in connection with their acquisitions of Dominion Bank of Washington, D.C. and First American.

The work of our Safety and Soundness Division has resulted in such actions as the prosecution of principals involved in alleged illegal banking activities in the District of Columbia, and the withdrawal of the corporate charter of four alleged illegal banking entities operating in the District. The efforts of both the Safety and Soundness and the Legal Divisions resulted in the negotiation of a cease and desist order with an entity under investigation for illegal banking activities, the issuance of an administrative order, following an investigation and hearing, against another entity to cease and desist illegal banking activities and liquidate its assets and the issuance of capitalization directives to a locally chartered trust company. The Safety and Soundness Division is handling approximately 15 investigations.

We are also working, or have completed work, on four major legislative packages. First, the total revision of Title 26 of the D.C. Code, the Banking Code in the District. The completion of this legislation will modernize the Code and encourage new chartering and improved regulation. We anticipate new state charters will result from the passage of this legislation. Second, the revision of the Public Depository Act. This revision should be available shortly for submission to the Council. This legislation will add more safety to the District's investments, potentially increase the District's earnings rate on its investments, as well as leverage District deposits for economic development in the District. Third, is our legislation to confer local jurisdiction over multiple interstate acquirors. Without the passage of this legislation the District would not have the opportunity to negotiate community development commitments with NationsBank in connection with their acquisition of American Security Bank, or with First Union in connection with their acquisition of First American Bank. Our final legislative effort is a redefinition of the underserved areas. This product will update the target areas for community development lending by banks to reflect the new

census data and to focus on low and moderate income areas based on the District median, rather than the area median.

On the regulatory front, we provided comments to the Federal Financial Institutions Examination Council regarding the collection of information on small business lending. We were also successful in securing an opinion from the Federal Reserve regarding the collection of gender, race and ethnicity coded lending data. We are also finalizing our own monitoring report form. On the educational front we conducted basic banking seminars at the Carlos Rosario Adult Education Center, reaching approximately 400 students. We also conducted a legal seminar on federal and state community development laws, a joint program with the Federal Reserve Board, geared to community based groups and community development corporations, on community lending, as well as general banking seminars reaching audiences of women aiming to gain control of their finances and the Hispanic community, the latter presented in Spanish. We will soon present another seminar, in Spanish, targeted at the small business owner.

Office of Tourism and Promotion

Agency Overview

Mission

The mission of the Office of Tourism and Promotion is to further develop and increase the economic benefits of two service industries, tourism and motion picture production, to the District of Columbia.

Agency Description

Through organizational components dealing with tourism and motion picture production the Office of Tourism and Promotion will focus its efforts to expand the national and international recognition of the District of Columbia. With respect to tourism, the Office will emphasize the District beyond the monuments by educating the public, including potential international visitors, on the many cultural and historic attractions in the District's diverse neighborhoods. The increased use of the District as a site for movie and television production is a principal economic objective of the District. Efforts of this office will be directed to increasing national and international companies production of movies and televison programs here.

The Office will require the cooperation of District agencies and other organizations to support its efforts to increase tourism and motion picture and television production.

The work of the department is carried out through two program components:

- The Office of Tourism which will be devoted to increasing the number of tourists and the economic benefit of tourism to small and minority business enterprises.

- The Office of Motion Pictures and Development which will be devoted to seeking out and accommodating movie and television companies filming movie and television productions in the District.

Agency Budget Summary

FY 1994: The total general fund appropriated budget for the Office is $261,000 and five FTEs. This represents the establishment of a new office pursuant to a reorganization plan submitted by the Mayor to the Council.

Budget Strategy and Impacts

Strategy: Development of small and minority businesses has been a goal of the District for a number of years. Through outreach to untapped tourist markets and mobilization of small businesses, the Office will enhance the economic payoff of this market. Continued development and outreach to movie and television production companies will enhance the economic base of the District and continue to build on the District's reputation as a desirable location for movie and television production.

Impacts: Increases in tourism and movie production will have a positive effect on the local tax base as expenditures made by tourists and companies will have a direct impact on the economy of the

Office of Tourism and Promotion

District.

Table I

Agency Staffing and Funding Detail

Programs	Staffing (FTE Positions)				Funding			
	FY92 Actual	FY93 Budget	FY93 Revised	FY94 Proposed	FY92 Actual	FY93 Budget	FY93 Revised	FY94 Proposed
Office of Tourism	0.0	0.0	0.0	3.0	0	0	0	161,000
Office of Motion Pictures and Development	0.0	0.0	0.0	2.0	0	0	0	100,000
Total Agency	0.0	0.0	0.0	5.0	0	0	0	261,000
Appropriated Funds	0.0	0.0	0.0	5.0	0	0	0	261,000
Federal Funds	0.0	0.0	0.0	0.0	0	0	0	0
Intra-District Funds	0.0	0.0	0.0	0.0	0	0	0	0
Other Funds	0.0	0.0	0.0	0.0	0	0	0	0

Table II

Agency Outputs

Measures	FY 1991	FY 1992	FY 1993	FY 1994
No. of neighborhood businesses contacted to participate in tourism industry.	0	0	0	2,000
No. of seminars/workshops on tourism business opportunities.	0	0	0	2
No. of tourism event referrals.	0	0	0	20
Motion Picture and Television Production Promotion-Number of producers contacted.	0	0	0	3,000
Motion Picture and Television Production Promotion-Direct Business expenditures.($000s)	0	0	0	35,000
Motion Picture and Television Production Promotion-Temporary jobs created.	0	0	0	8,000

Office of Tourism and Promotion

Table V **Agency Appropriated Summary by Expenditure Type**

Expenditure Type	Staffing (FTE)				Funding			
	FY 92 Actual	FY 93 Budget	FY 93 Revised	FY 94 Proposed	FY 92 Actual	FY 93 Budget	FY 93 Revised	FY 94 Proposed
Personal Services								
Regular Pay	0.0	0.0	0.0	5.0	0	0	0	217,000
Other Pay	0.0	0.0	0.0	0.0	0	0	0	0
Additional Gross Pay	0.0	0.0	0.0	0.0	0	0	0	0
Fringe Benefits	0.0	0.0	0.0	0.0	0	0	0	44,000
Total Personal Services	0.0	0.0	0.0	5.0	0	0	0	261,000
NonPersonal Services								
Supplies					0	0	0	0
Energy					0	0	0	0
Communications					0	0	0	0
Building Rent					0	0	0	0
Other Services & Charges					0	0	0	0
Subsidies & Transfers					0	0	0	0
Equipment					0	0	0	0
Total NonPersonal Services					0	0	0	0
TOTAL AGENCY	0.0	0.0	0.0	5.0	0	0	0	261,000

Office of Planning

Agency Overview

Mission

The mission of the Office of Planning (OP) is to ensure that the development in the District proceed in an orderly and efficient manner by providing central planning.

Agency Description

The Office is responsible for all muni -1c Elements of the Comprehensive Plan for the National Capital. OP also provides direct service to the Zoning Commission and the Board of Zoning Adjustment, reviews development proposals and provides research and statistical services to District agencies and others. The work of OP is carried out through the following major programs:

Comprehensive Planning (formerly Strategic Planning and Development Review) - amends, monitors and updates the Comprehensive Plan for the National Capital; initiates map and text amendments to the Zoning Commission to ensure consistency with the Comprehensive Plan; coordinates all development and design review processes; provides technical and policy advice to the Zoning Commission and the Board of Zoning Adjustment.

Strategic Planning (formerly Intermediate Planning) - develops, amends and monitors ward and other area plans; provides planning services to citizens and neighborhood organizations, advisory neighborhood commissions, business persons, etc.

Data Management - as the official State Census Data Center, provides social and economic statistical data for the District; contributes to the redistricting of ward and Advisory Neighborhood Commission (SMD) boundaries.

Office of the Director - provides program, policy and strategy development; administrative direction and support and public information.

Agency Budget Summary

FY 1994: The *total* budget from all funding sources in FY 1994 is $3,387,000. The *appropriated* budget request for FY 1994 is $3,362,000, an increase of $102,000 over the revised FY 1993 budget request and an increase of $777,000 over the approved FY 1993 budget. The 44 positions budgeted for FY 1993 are decreased by 2 for FY 1994. The *nonappropriated* budget for FY 1994 is $25,000, a decrease of $25,000 from the revised FY 1993 budget.

FY 1993 Revised: The revised *appropriated* request for FY 1993 is $3,260,000 and 42 positions, an increase of $675,000 over the approved FY 1993 level and a decrease of 2 positions.

Major changes include the following:

- An increase of $851,000 for rental of office space in the revised FY 1993 budget and the FY 1994 budget.

Office of Planning

- A decrease of 2 positions which includes a reduction of $80,000 for salary lapse savings in the FY 1994 budget.

- An increase of $23,000 to fund the estimated costs for employee health benefits in the FY 1994 budget and an increase of $9,000 in the revised FY 1993 budget.

- A decrease of $25,000 in Community Development Block Grant (CDBG) funding to support the Municipal Automated Geographic Information System (MAGIS) in the FY 1994 budget.

- A decrease of $169,000 and 2 positions in personal services which includes a savings of $21,000 for the denial of within-grades, $92,000 for the implementation of furloughs, and $56,000 for salary lapse savings in the revised FY 1993 budget.

Budget Strategy and Impacts

Strategy: Even though the budgets for FY 1993 and FY 1994 show increases, when the mandated costs of rent and health benefits are factored out, the Office has appropriated reductions of $72,000 in FY 1993 and $97,000 in FY 1994. This will restrict the agency work program to legislation- and regulation-mandated functions. OP's primary functions will be: (1) the initiation and review of applications to amend the Zoning regulations, (2) the review of proposed development projects, (3) service to the Zoning Commission and Board of Zoning Adjustment and (4) research and data services. An OP priority will be the rezoning of areas of the city where current zoning is not consistent with the Comprehensive Plan, including map and text amendments that support economic development and neighborhood preservation objectives.

OP will submit proposed Comprehensive Plan amendments to the Mayor in March 1993 that should result in labor and printing savings in FY 1994. OP will propose the following: (1) changing the current two-year amendment cycle (odd-numbered years) to four years, (2) changing the current two-year reporting cycle (even-number years) to four years and eliminating the report format requirements and (3) changing the current requirement for four Comprehensive Plan land use maps to two. In addition, only one of the two proposed Comprehensive Plan maps, Generalized Land Use, will be printed in FY 1994 for a savings of $5,000.

OP also projects an $80,000 savings in expenditures for personal services achieved through a salary lapse, a $14,000 savings in equipment maintenance costs resulting from renegotiated contracts, a $2,000 savings in car leasing costs, a $1,000 savings in postage costs, and a modest labor savings from OP initiated modifications to the District's Large Tract Review procedures.

Impacts: The primary functions of OP in FY 1994 will be zoning services, development review, technical assistance and statistical services. Comprehensive planning and data management programs will be reduced.

Office of Planning

- Proposed Comprehensive Plan changes will save approximately $10,000 in printing costs and reduce the amount of staff time required to comply with Plan mandates. The one year delay in printing one of the two proposed land use maps, Generalized Policies, would defer $5,000 in printing costs to FY 1995. There will be no significant impact on the utility of the Comprehensive Plan.

- Expected changes in the District's Large Tract Review procedures will streamline this aspect of the development review process and reduce the amount of staff time required by this function.

- An expected reduction of $25,000 in non-appropriated (CDBG) budget funding for MAGIS will curtail research activities and increase statistical service response time.

- Charging the general public for copies of all publications and maps is a change in policy for the agency, but will permit the recapture of about 50 percent of printing costs over the (multi-year) life of printing products. All of the recapture funds received in FY 1994 will be needed to help meet projected printing expenditures.

- OP will limit the amount of work performed in the comprehensive planning and data management programs. Ward planning, small area action planning, downtown planning and research services will be reduced. Activities of the ward planning staff will be refocused to accomplish zoning services and development review functions. A longer response time will be necessary for data inquiries, research and other data services functions. Areas designated in the Comprehensive Plan as Special Treatment, Development Opportunity and Housing Opportunity areas will not be the subject of small area planning as required by the Comprehensive Plan.

Table I **Agency Staffing and Funding Detail**

Programs	Staffing (FTE Positions)				Funding			
	FY92 Actual	FY93 Budget	FY93 Revised	FY94 Proposed	FY92 Actual	FY93 Budget	FY93 Revised	FY94 Proposed
Office of Planning	48.6	44.0	42.0	42.0	2,723,458	2,635,000	3,310,000	3,387,000
Total Agency	48.6	44.0	42.0	42.0	2,723,458	2,635,000	3,310,000	3,387,000
Appropriated Funds	48.6	44.0	42.0	42.0	2,708,871	2,585,000	3,260,000	3,362,000
Federal Funds	0.0	0.0	0.0	0.0	0	0	0	0
Intra-District Funds	0.0	0.0	0.0	0.0	13,108	50,000	50,000	25,000
Other Funds	0.0	0.0	0.0	0.0	1,479	0	0	0

Office of Planning

Table II **Agency Outputs**

Measures	FY 1991	FY 1992	FY 1993	FY 1994
Zoning Commission Cases	14	15	62	38
Board of Zoning Adjustment Cases	179	162	165	170
Studies	15	13	12	9
Development Reviews	40	37	73	44

Table III **Agency Appropriated Summary by Expenditure Type**

Expenditure Type	Staffing (FTE)				Funding			
	FY 92 Actual	FY 93 Budget	FY 93 Revised	FY 94 Proposed	FY 92 Actual	FY 93 Budget	FY 93 Revised	FY 94 Proposed
Personal Services								
Regular Pay	48.6	44.0	42.0	42.0	1,986,650	1,930,000	1,761,000	1,850,000
Other Pay	0.0	0.0	0.0	0.0	0	0	0	0
Additional Gross Pay	0.0	0.0	0.0	0.0	34,928	18,000	18,000	18,000
Fringe Benefits	0.0	0.0	0.0	0.0	267,624	292,000	285,000	315,000
Total Personal Services	48.6	44.0	42.0	42.0	2,289,202	2,240,000	2,064,000	2,183,000
NonPersonal Services								
Supplies					6,683	9,000	9,000	9,000
Energy					3,774	5,000	5,000	5,000
Communications					20,399	30,000	30,000	30,000
Building Rent					238,897	215,000	1,066,000	1,066,000
Other Services & Charges					144,860	79,000	79,000	64,000
Subsidies & Transfers					0	0	0	0
Equipment					5,056	7,000	7,000	5,000
Total NonPersonal Services					419,669	345,000	1,196,000	1,179,000
TOTAL AGENCY	48.6	44.0	42.0	42.0	2,708,871	2,585,000	3,260,000	3,362,000

TESTIMONY OF
ALBERT G. DOBBINS, III, DIRECTOR
OFFICE OF PLANNING
BEFORE THE THE HOUSE SUBCOMMITTEE ON APPROPRIATIONS
FOR THE DISTRICT OF COLUMBIA

Good Morning, Mr. Chairman and members of the Committee. I am Albert G. Dobbins, III, Director of the Office of Planning. I am pleased to appear before you today to discuss the FY 1993 Supplemental Budget and FY 1994 Budget the D.C. Office of Planning. Both proposals are above previous funding levels and are adequate to accomplish the primary functions of the agency.

REVISED FY 1993 BUDGET REQUEST

The revised FY 1993 budget request for the Office of Planning is for $3,260,000 and 42 Full Time Equivalent (FTE) positions. This is an increase of $675,000 over the approved FY 1993 budget. The revised level of funding includes an increase of $851,000 for building security and rent, an increase of $9,000 for health benefits, a savings of $113,000 from employee furloughs and cancellation of step increases, a savings of $56,000 from salary lapse, and a reduction of 2 FTEs. The revised level of funding will permit us to carry out our work program at the current level only. It does not allow for an expanded work program or additional planning initiatives without reordered priorities.

FY 1993 ACTIVITIES

Significant activities completed or scheduled for completion during FY 1993 include:

- DISTRICT OF COLUMBIA GENERALIZED LAND USE MAP CORRECTIONS. In accordance with the requirements of D.C. Law 8-129 and the corrections specified in Council Resolution 9-275, a "corrected" version of the Generalized Land Use Map #1 was completed in December 1992. The map has been accepted by the District Council Chairman and copies are being distributed to Advisory Neighborhood Commissions, libraries and others on our mailing lists.

- COMPREHENSIVE PLAN AMENDMENTS. A process for amending the District Elements of the Comprehensive Plan for the National Capital has been established and is currently underway. During the summer, the Office of Planning developed and published a set of rules which outlined the process for receiving proposed amendments and for reviewing and

evaluating each proposal based on a set of guidelines. During October and November, the Office of Planning convened meetings in every ward to explain the process to the general public. By December 31, 1992 the Office of Planning received over 500 proposed amendment submissions which were evaluated in accordance with the specified guidelines. On March 1, 1993, the Office of Planning forwarded its recommendations to Mayor Kelly and on March 31, 1993, Mayor Kelly submitted over 300 proposed amendments to the District Council as required by law.

- ZONING CONSISTENCY. The Comprehensive Plan Amendments Act of 1989 mandates that the Mayor propose amendments to the Zoning Regulations or maps to eliminate any inconsistency of the Zoning Regulations with the Land Use Element of the Comprehensive Plan. The Office of Planning submitted proposed amendments to the Zoning Commission on May 23, 1991. Since that time, a preliminary public comment period and a public forum have been completed, and forty-five zoning cases have been initiated. Currently, the agency's "Zoning Consistency Project" is proceeding on two tracks, with major and complex rezonings on one track and the more minor rezonings grouped by functional land use category (residential, commercial, industrial) on the other track. We believe that by grouping cases by generic categories on a citywide basis, the process of eliminating inconsistencies between zoning and the Comprehensive Plan can proceed more expeditiously.

- BUZZARD POINT/NEAR SOUTHEAST PLANNING STUDY. Following a series of public meetings, a "Buzzard Point/Near Southeast Vision 2020 Background Report" was completed in October 1992. This report provides a revised framework for reshaping the Buzzard Point, Capitol Gateway, Capitol South study areas into a dynamic new community of Washington, D.C. Phase II of the study is now underway which will include additional refinement of the development goals and policies and specific zoning recommendations.

- ANACOSTIA DEVELOPMENT ZONE IMPLEMENTATION PLAN. The Office of Planning and a team of development consultants have identified specific near-term development opportunities and implementation strategies for three areas in the East of the River Development Zones: the Anacostia Gateway area, the Skyland Shopping Center area, and the Anacostia Metrorail Station area. The consultant team's preliminary findings and conclusions were presented in three meetings held in November 1992 and revised conclusions and recommendations were presented in a public forum held in January 1993. Each high priority area was subjected to detailed design, market, and financial evaluations. A draft final report has been completed and will be disgtributed within 30 days.

- STATISTICAL AND RESEARCH ACTIVITIES. The Office of Planning has completed a socio-economic indicator publication which depicts quality of life measures by census tract for all areas of the city and a nine volume summary of social, economic and housing data from the 1990 census, by city and ward. The agency has worked with the Department of Human Services to devise a methodology to eliminate pseudo census tracts, worked with the Office of Business and Economic Development on the development of an EDA grant, given testimony in support of the new Washington/Baltimore Metropolitan Statistical Area and provided data in support of President-elect Clinton's visit to Washington, D.C. Currently, the agency is working on a monograph of the Latino population in the District, a study of changes in school age population from 1980 to 1990 for elementary, middle school and high school aged students, a 1980-90 comparison of social indicators, a simplified "census data fact sheet" which will highlight significant data elements from the 1990 census and population estimates for 1991 and 1992.

PROPOSED FY 1994 BUDGET REQUEST

The FY 1994 proposed appropriated budget request is for $3,362,000 and 42 FTEs. This is a net increase of $102,000 over the revised FY 1993 budget; but includes $80,000 in salary lapse savings and a reduction of 2 FTEs over the approved the FY 1993. An additional $17,000 savings will be realized from non-personal services savings made within the framework of an overall District effort to balance the budget.

The proposed request will restrict the agency work program to legislation and regulation-mandated functions. Our primary functions will be: (1) the initiation and review of applications to amend the Zoning Regulations; (2) the review of proposed development projects; (3) service to the Zoning Commission and the Board of Zoning Adjustment; and (4) research and data services. An Office of Planning priority will be the rezoning of areas of the city where current zoning is not consistent with the Comprehensive Plan, including map and text amendments that support economic development and neighborhood preservation objectives.

PROPOSED FY 1994 ACTIVITIES

The Office of Planning anticipates completing eight text amendments and twenty map amendments as part of the zoning consistency project. The map amendments will include Buzzard Point, several areas on the edge of Downtown, Southwest Urban Renewal Subareas C and C-1, St. Elizabeths Hospital, Tenleytown and Mount Vernon Square. Text amendments to be recommended to the Zoning Commission will focus on: solid waste transfer

stations, low density commercial (C-1/C-2) zone districts, mixed commercial-residential (CR) zone districts, hospitals and clinics as special exceptions, Special Purpose (SP) zone districts, and industrial (M, CM) zone districts.

Other activities planned for FY 1994 include: a study of mechanisms to control non-residential uses in residential zones on a city-wide basis, a study of industrial land use in the District and development of revised and new policies and objectives, continued planning around metro stations and the possible development of special overlay zones to direct growth and development, improvements in the Large Tract Review procedures, population and housing estimates, a monograph on senior citizens, a update of the Municipal Automated Geographic Information System (MAGIS) and additional census data analysis as required. Finally, we will continue to provide assistance to the Zoning Commission and the Board of Zoning Adjustment, respond to inquiries and try to assure that development occurs in a balanced way in the District of Columbia.

Thank you for the opportunity to present our budget request. I will be happy to respond to any questions you may have.

Office of Zoning

Agency Overview

Mission

The mission of the Office of Zoning is to provide administrative, professional, and technical assistance to the Zoning Commission and the Board of Zoning Adjustment (BZA) in the maintenance and regulation of zoning and the zoning process in the District of Columbia.

Agency Description

The Zoning Commission and the Board of Zoning Adjustment assist the District in attracting and retaining residents and businesses, and promoting job opportunities by allowing for the orderly development of land for the consistent and appropriate use of property in the District.

The Office of Zoning provides support by assigning technical staff to the BZA, and the Zoning Commission, as well as, providing executive and support staff for agency management, administration and support activities. This support includes processing zoning applications; scheduling and preparing for public hearings and meetings; drafting and executing orders; coordinating with other District agencies; and providing technical assistance to the Zoning Commission and the BZA.

Agency Budget Summary

FY 1994: The *total* budget from all funding sources in FY 1994 is $624,000 and 12 full-time equivalents (FTEs), an increase of $4,000 and no change in FTEs from the FY 1993 revised budget. The appropriated budget for FY 1994 is $423,000 and 10 FTEs, a decrease of $107,000 and 2 FTEs from the FY 1993 approved budget . The *nonappropriated* budget for FY 1994 is $201,000 and 2 FTEs, an increase of $101,000 and 2 FTEs above the FY 1993 approved budget.

FY 1993 Revised: The revised budget for FY 1993 is $520,000 and 12 FTE positions, a reduction of $10,000 which reflects a savings of $9,000 for furloughs, $2,000 for within-grades and an increase of $1,000 for health benefits costs.

Major changes are as follows:

- FY 1994 Increase - An increase of $3,000 is provided for health benefits.
- FY 1994 Decrease - A decrease of $9,000 is reduced to align personal services budget authority with projected expenditures.
- FY 1994 Decrease - A decrease of $101,000 and 2 appropriated FTEs.
- FY 1993 Furlough Reduction - A total of $9,000 is reduced for furlough savings.
- FY 1993 Within-Grade Reduction - A total of $2,000 is reduced for within-grade savings.

Office of Zoning

- FY 1993 Health Benefits Increase - A total of $1,000 is provided for health benefits.

Budget Strategy and Impacts

Strategy: The workload and service demands of the office will continue at current levels in FY 1993 and FY 1994. The office is a newly independent agency, and FY 1993 is the second year that the agency has operated as an independent agency. Because of its recent independence, the office has taken on new responsibilities including budget preparation, procurement, personnel and other administrative tasks that were previously performed by another agency. By acquiring and performing these additional duties, some program activities have been reduced. The office will focus on processing and scheduling zoning applications in quantities and in intervals that will not create excessive backlogs.

Impacts: The current personnel complement needs to be examined in light of the demands upon the agency. The processing of zoning applications, scheduling hearings and issuing final decisions/orders will experience some delay until total automation is achieved.

Table I **Agency Staffing and Funding Detail**

Programs	Staffing (FTE Positions)				Funding			
	FY92 Actual	FY93 Budget	FY93 Revised	FY94 Proposed	FY92 Actual	FY93 Budget	FY93 Revised	FY94 Proposed
Office of Zoning	6.0	12.0	12.0	12.0	561,102	630,000	620,000	624,000
Total Agency	6.0	12.0	12.0	12.0	561,102	630,000	620,000	624,000
Appropriated Funds	6.0	12.0	12.0	10.0	458,988	530,000	520,000	423,000
Federal Funds	0.0	0.0	0.0	0.0	0	0	0	0
Intra-District Funds	0.0	0.0	0.0	0.0	0	0	0	0
Other Funds	0.0	0.0	0.0	2.0	102,114	100,000	100,000	201,000

Office of Zoning

Table II **Agency Outputs**

Measures	FY 1991	FY 1992	FY 1993	FY 1994
Zoning Applications Processed - Zoning Commission	0	19	22	26
Zoning Applications Processed Board of Zoning Adjustment	0	162	165	170
Zoning Applications Heard - Zoning Commission	0	16	20	24
Zoning Applications Heard - Board of Zoning Adjustment	0	149	155	160

Table III **Agency Appropriated Summary by Expenditure Type**

Expenditure Type	Staffing (FTE)				Funding			
	FY 92 Actual	FY 93 Budget	FY 93 Revised	FY 94 Proposed	FY 92 Actual	FY 93 Budget	FY 93 Revised	FY 94 Proposed
Personal Services								
Regular Pay	6.0	12.0	12.0	10.0	353,002	446,000	435,000	354,000
Other Pay	0.0	0.0	0.0	0.0	4,100	0	0	0
Additional Gross Pay	0.0	0.0	0.0	0.0	42,631	5,000	5,000	5,000
Fringe Benefits	0.0	0.0	0.0	0.0	54,241	77,000	78,000	62,000
Total Personal Services	6.0	12.0	12.0	10.0	453,974	528,000	518,000	421,000
NonPersonal Services								
Supplies					0	2,000	2,000	2,000
Energy					0	0	0	0
Communications					0	0	0	0
Building Rent					0	0	0	0
Other Services & Charges					13	0	0	0
Subsidies & Transfers					0	0	0	0
Equipment					0	0	0	0
Total NonPersonal Services					13	2,000	2,000	2,000
TOTAL AGENCY	6.0	12.0	12.0	10.0	453,987	530,000	520,000	423,000

STATEMENT OF MADELIENE H. ROBINSON
DIRECTOR, DISTRICT OF COLUMBIA
OFFICE OF ZONING

ON THE

FISCAL YEAR 1993 SUPPLEMENTAL AND
FISCAL YEAR 1994 BUDGET REQUESTS
OF THE OFFICE OF ZONING

BEFORE THE

SUBCOMMITTEE ON THE DISTRICT OF COLUMBIA
HOUSE APPROPRIATIONS COMMITTEE

MR. CHAIRMAN AND MEMBERS OF THE SUBCOMMITTEE, I AM MADELIENE H. ROBINSON, DIRECTOR OF THE OFFICE OF ZONING. THANK YOU FOR THIS OPPORTUNITY TO TESTIFY IN SUPPORT OF THE FISCAL YEAR 1993 SUPPLEMENTAL AND THE FISCAL YEAR 1994 BUDGET REQUESTS OF THE OFFICE OF ZONING. BOTH REQUESTS ARE BELOW PREVIOUS FUNDING LEVELS AND THUS CHALLENGE US TO CARRY OUT OUR STATUTORY MANDATES AND OUR OTHER RESPONSIBILITIES IN AN EFFICIENT AND MORE PRODUCTIVE MANNER.

THE OFFICE OF ZONING SERVES AS THE ADMINISTRATIVE ARM OF THE ZONING COMMISSION FOR THE DISTRICT OF COLUMBIA AND THE BOARD OF ZONING ADJUSTMENT (BZA). THE BUDGET OF THE OFFICE IS THE SOURCE OF SUPPORT FOR THE ZONING COMMISSION AND THE BOARD OF ZONING ADJUSTMENT IN CARRYING OUT THEIR STATUTORY MANDATES ASSOCIATED WITH ZONING AND THE ZONING PROCESS IN THE DISTRICT OF COLUMBIA.

REVISED FY 1993 BUDGET REQUEST

THE REVISED FY 1993 APPROPRIATED BUDGET REQUEST IS $520,000 AND 12 CONTINUING FULL-TIME EQUIVALENT POSITIONS. THIS IS A DECREASE OF $10,000 FROM THE FY 1993 APPROVED BUDGET OF $530,000 AND NO CHANGE IN FULL-TIME EQUIVALENT POSITIONS. THE $10,000 REDUCTION REFLECTS A SAVINGS OF $9,000 FROM FURLOUGHS, A SAVINGS OF $2,000 FROM THE ELIMINATION OF WITHIN-GRADE INCREASES, AND AN INCREASE OF $1,000 FOR HEALTH BENEFITS COSTS. THIS MODEST REQUEST WILL FUND THE EXISTING POSITIONS AND PROVIDE A MODEST AMOUNT FOR OFFICE SUPPLIES. THE NONPERSONAL COSTS OF THE OFFICE ARE FUNDED BY FEES COLLECTED BY THE OFFICE OF ZONING.

THE OFFICE OF ZONING HAS ASSISTED THE ZONING COMMISSION AND THE BOARD OF ZONING ADJUSTMENT IN COMPLETING A NUMBER OF INITIATIVES DURING FY 1993. THE MOST SIGNIFICANT ACCOMPLISHMENTS INCLUDE:

* THE BZA COMPLETED THREE SESSIONS OF ITS 1993 BOARD OF ZONING ADJUSTMENT WORKING AND INFORMATION SEMINAR SERIES WHICH PROVIDED BOARD MEMBERS THE OPPORTUNITY TO ENHANCE

THEIR KNOWLEDGE AND INFORMATION ABOUT ZONING AND THE ZONING PROCESS.

* THE ZONING COMMISSION'S MAJOR ACCOMPLISHMENTS DURING FY 1993 INCLUDE THE FOLLOWING:

  -- FINALIZED RULES TO IMPLEMENT A CONSENT CALENDAR TO FACILITATE ACTION ON MINOR ISSUES THAT DO NOT REQUIRE A PUBLIC HEARING.

  -- FINALIZED REGULATIONS TO GOVERN THE PLACEMENT AND OPERATION OF RECYCLING/MATERIALS RECOVERY FACILITIES IN THE DISTRICT OF COLUMBIA.

  -- FINALIZED REGULATIONS TO ESTABLISH A NEW MEDIUM DENSITY RESIDENTIAL ZONE DISTRICT.

  -- PUT IN PLACE APPROPRIATE ZONING FOR UNZONED LAND IN THE SOUTHWEST URBAN RENEWAL AREA.

  -- TOOK FINAL ACTION TO ENACT REGULATIONS THAT GOVERN THE ESTABLISHMENT OF ACCESSORY APARTMENTS IN LOW DENSITY RESIDENTIAL AREAS.

  -- TOOK FINAL ACTION TO APPROPRIATELY REZONE THE LAND AROUND THE ANACOSTIA METRORAIL STATION.

  -- TOOK PROPOSED ACTION TO ADOPT AN OVERLAY ZONE IN THE 16TH STREET HEIGHTS AREA TO GOVERN THE ESTABLISHMENT OF USES OTHER THAN RESIDENTIAL DWELLINGS IN THE AREA.

  -- TOOK PROPOSED ACTION ON CITYWIDE RESIDENTIAL-TO-RESIDENTIAL REZONINGS AS PART OF THE ZONING CONSISTENCY PROJECT TO ENSURE THAT ZONING IS NOT INCONSISTENT WITH THE COMPREHENSIVE PLAN.

* THE ZONING COMMISSION AND THE BZA HAVE CONTINUED TO HOLD PUBLIC HEARINGS ON APPLICATIONS SUBMITTED IN ACCORDANCE WITH THE ZONING REGULATIONS AND MERITING A PUBLIC HEARING.

* THE ZONING COMMISSION AND THE BZA HAVE CONTINUED TO HOLD MONTHLY MEETINGS TO DECIDE CASES AND TRANSACT BUSINESS, AS APPROPRIATE.

* THE OFFICE OF ZONING HAS BEGUN THE PROCESS OF UPDATING THE ZONING MAP.

* A STUDY OF THE FEE STRUCTURE OF THE OFFICE OF ZONING, THE ZONING COMMISSION, AND THE BZA IS IN PROGRESS AND SHOULD BE COMPLETED BY THE END OF FY 1993.

FY 1994 BUDGET REQUEST

THE FISCAL YEAR 1994 APPROPRIATED BUDGET REQUEST IS $423,000 AND TEN CONTINUING FULL-TIME EQUIVALENT POSITIONS. THIS IS A DECREASE OF $97,000 AND TWO FULL-TIME EQUIVALENT POSITIONS FROM THE REVISED FY 1993 BUDGET REQUEST. THE REQUEST REFLECTS A DECREASE IN PERSONAL SERVICES. THIS REQUEST WILL FUND TEN OF THE EXISTING 12 FULL-TIME EQUIVALENT POSITIONS. THE TWO UNFUNDED FULL-TIME EQUIVALENT POSITIONS WILL BE TRANSFERRED TO THE NONAPPROPRIATED BUDGET OF THE OFFICE WHICH IS FUNDED BY FEES COLLECTED BY THE OFFICE FOR ZONING RELATED MATTERS.

THE NONAPPROPRIATED BUDGET IS CONTINGENT UPON ZONING FEES COLLECTED, AND THUSFAR HAVE BEEN SUFFICIENT TO SUSTAIN THE COSTS FOR OPERATIONS OF THE OFFICE. IT IS UNCERTAIN WHETHER THE OFFICE WILL COLLECT FEES SUFFICIENT TO MAINTAIN THE OPERATIONS OF THE OFFICE AND FUND THE TWO EXISTING FTES THAT ARE TRANSFERRED TO THE NONAPPROPRIATED BUDGET. ONE MAJOR INITIATIVE FROM FY 1993 IS A STUDY OF THE FEE STRUCTURE OF THE OFFICE OF ZONING, THE ZONING COMMISSION AND THE BZA. IT IS EXPECTED THAT THE STUDY WILL RECOMMEND AN INCREASE IN ZONING FEES. IF THE OFFICE IS ABLE TO MAINTAIN THE TWO EXISTING FTES IN THE NONAPPROPRIATED BUDGET, THE MAJOR INITIATIVES FOR FY 1994 WILL INCLUDE:

* CONTINUED ZONING COMMISSION PUBLIC HEARINGS TO CONSIDER CHANGES TO THE ZONING MAP AND THE TEXT OF THE ZONING REGULATIONS TO ENSURE THAT ZONING IS NOT INCONSISTENT WITH THE COMPREHENSIVE PLAN.

* COMPLETION OF THE UPDATE OF THE OFFICIAL ZONING MAP FOR THE DISTRICT OF COLUMBIA.

* CONTINUED HEARINGS BY THE ZONING COMMISSION AND THE BZA ON APPLICATIONS SUBMITTED IN ACCORDANCE WITH THE ZONING REGULATIONS AND MERITING A PUBLIC HEARING.

* CONTINUED MONTHLY MEETINGS OF THE COMMISSION AND THE BZA TO DECIDE CASES AND TRANSACT APPROPRIATE BUSINESS.

THE OFFICE WILL CONTINUE TO SERVICE THE ZONING COMMISSION AND THE BZA BY RECEIVING AND PROCESSING APPLICATIONS; SCHEDULING, PREPARING FOR, ATTENDING AND FOLLOWING-UP AFTER MEETINGS AND HEARINGS; DRAFTING AND EXECUTING DECISIONS; COORDINATING THE ZONING PROCESS WITH OTHER GOVERNMENT AGENCIES; RESPONDING TO MISCELLANEOUS REQUESTS OF THE COMMISSION AND BOARD MEMBERS; PREPARING RECORDS FOR COURT CASES; AND HANDLING TIME AND ATTENDANCE, PAYROLL, PERSONNEL MATTERS AND THE OFFICE BUDGET.

FINALLY, THE OFFICE WILL CONTINUE TO SERVE AS THE LIAISON BETWEEN THE COMMISSION, THE BZA AND THE OFFICE OF THE CORPORATION COUNSEL; WILL KEEP THE COMMISSION AND THE BZA APPRISED OF IMPORTANT LEGISLATIVE MATTERS; AND WILL CONTINUE TO PROVIDE INFORMATION TO THE PUBLIC ABOUT THE ZONING PROCESS, THE ZONING REGULATIONS AND

MAP, ZONING CERTIFICATIONS AND THE STATUS OF CASES PENDING BEFORE THE COMMISSION AND THE BZA.

IN SUMMARY, THE ZONING COMMISSION AND THE BOARD OF ZONING ADJUSTMENT WILL CONTINUE TO ASSIST THE DISTRICT IN RETAINING RESIDENTS AND BUSINESSES, ATTRACTING NEW RESIDENTS AND BUSINESSES, AND PROMOTING JOB OPPORTUNITIES AND ECONOMIC DEVELOPMENT BY PROVIDING FOR THE ORDERLY DEVELOPMENT OF LAND AND FOR THE CONSISTENT AND APPROPRIATE USE OF PROPERTY WITHIN THE DISTRICT. UNDER THE DIRECTION OF THE COMMISSION AND THE BOARD, THE OFFICE OF ZONING WILL CONTINUE TO PROVIDE THE STAFF SUPPORT NECESSARY TO MAINTAIN THE ZONING PROCESS IN THE DISTRICT. APPROVAL OF THE REVISED FY 1993 AND THE FY 1994 BUDGET REQUESTS WILL ENSURE THAT STAFF SUPPORT IS AVAILABLE TO ACHIEVE THE MAJOR LAND USE AND ZONING INITIATIVES.

THANK YOU AGAIN FOR THE OPPORTUNITY TO TESTIFY ON THE BUDGET REQUEST BEFORE YOU. I WILL BE HAPPY TO RESPOND TO ANY QUESTIONS THAT YOU MAY HAVE.

Office of Business and Economic Development

Agency Overview

Mission

The mission of the Department of Business and Economic Development (OBED) is to promote business development with the objective of: expansion of the revenue base, job generation, and stabilization and strengthening of the local economy.

Agency Description

OBED serves as the primary administrative unit within the District government for planning and implementing economic development programs. The agency provides marketing services and site location assistance with respect to underutilized public and private properties; offers real estate development services; operates business and real estate financial assistance programs; makes management and technical assistance available to small and minority businesses; develops business/industrial parks; operates a capital improvement program that complements private economic investments with public resources; and facilitates use of the District and its businesses by the motion picture and television industries.

Agency Budget Summary

FY 1994: In FY 1994 OBED will be abolished. The functions of the Property Development program and Industrial Revenue Bonds program will be transferred to the Office of the Assistant City Administrator for Economic Development. The Neighborhood Development Assistance program will be transferred to the Department of Housing and Community Development. Motion Pictures and Television Development will merge with the Office of Tourism and Promotions in FY 1994. Therefore, there is no FY 1994 budget request for OBED.

FY 1993 Revised: The revised FY 1993 appropriated budget request is $3,076,272 and 28 FTEs, a net reduction of $266,000 and no change in FTEs. The changes made, together with their impacts, are as follows:

- A reduction of $3,342,272 and 28 FTEs as a result of abolishing the office in FY 1994.
- An increase of $342,000 in facilities requirements - to provide funding for the incremental cost of leasing three floors, as well as to provide funding for renovations required to consolidate into two floors in the revised FY 1993 budget.
- A reduction of $250,000 from the Loan Guaranty Program - no adverse impact is anticipated as funds are still available in the nonappropriated budget to support this program in the revised FY 1993 budget.
- A reduction of $200,000 in the revised FY 1993 budget from funds appropriated for the inscription of names on the African American Civil War Memorial - no adverse impact is anticipated as the progress on the wall has not advanced to a point where these funds could be utilized in FY 1993.

Office of Business and Economic Development

- A reduction of $50,000 from the "Incubator Without Walls" funding - no adverse impact as the remaining balance ($50,000) will be transferred to the Financial Services Division to provide support for general technical assistance to small businesses in the revised FY 1993 budget.

- A reduction of $35,000 from the Lincoln Theater operating subsidy - no adverse impact is anticipated as there remains $265,000 for this purpose in the revised FY 1993 budget.

- A reduction of $24,000 from telephones - no adverse impact; in the revised FY 1993 budget.

- A reduction of $58,000 from personal services - which reflects savings of $46,000 resulting from the FY 1993 furlough and $12,000 from deferred within-grade increases in the revised FY 1993 budget.

- An increase of $9,000 to fund the increase in health benefits costs in the revised FY 1993 budget.

Table I **Agency Staffing and Funding Detail**

Programs	Staffing (FTE Positions)				Funding			
	FY92 Actual	FY93 Budget	FY93 Revised	FY94 Proposed	FY92 Actual	FY93 Budget	FY93 Revised	FY94 Proposed
Executive Direction & Support	56.5	23.0	23.0	0.0	11,320,269	3,328,031	3,597,031	0
Property Development	0.0	9.0	9.0	0.0	0	2,364,113	2,114,113	0
Financial Services	0.0	9.0	9.0	0.0	0	2,023,247	1,738,247	0
Motion Picture & TV Development Div	0.0	3.0	3.0	0.0	0	352,613	352,613	0
Neighborhood Development	0.0	9.0	9.0	0.0	0	3,340,880	3,340,880	0
CDBG Management	0.0	5.0	5.0	0.0	0	309,140	309,140	0
Research & Marketing	0.0	5.0	5.0	0.0	0	508,070	508,070	0
Total Agency	56.5	63.0	63.0	0.0	11,320,269	12,226,094	11,960,094	0
Appropriated Funds	31.7	28.0	28.0	0.0	2,508,216	3,342,272	3,076,272	0
Federal Funds	0.0	3.0	3.0	0.0	0	175,000	175,000	0
Intra-District Funds	19.4	32.0	32.0	0.0	7,387,496	6,587,822	6,587,822	0
Other Funds	5.4	0.0	0.0	0.0	1,424,557	2,121,000	2,121,000	0

Office of Business and Economic Development

Table II **Agency Outputs**

Measures	FY 1991	FY 1992	FY 1993	FY 1994
Property Development Division-Real Estate - Number of properties managed	22	22	22	0
Property Development Division-Real Estate - Temporary jobs created	12	39	138	0
Property Development Division - Permanent jobs created	0	32	196	0
Property Development Division - Tax revenues generated	0	38	547	0
Public Infrastructure - Number of parking spaces constructed	21	0	101	0
Number of commercial area parks - Constructed	3	0	3	0
Streetscape Inducement - Public expenditures	765	1,795	901	0
Streetscape Inducement - Number of blocks improved	16	35	40	0
Streetscape Inducement - Private construction/activity expenditure generated	320	12,200	800	0
Financial Services Division - Number of loans	18	38	12	0
Financial Services Division - Number of jobs	99	490	120	0
Loan Guaranty - Number of guarantees	0	0	10	0
Industrial Revenue Bonds - Number of bonds issued	6	5	6	0
Industrial Revenue Bonds - Number of construction jobs	1,302	200	663	0
Industrial Revenue Bonds - Net tax revenues	7,218	200	201	0
Motion Pictures and Television - Direct business expenditures	30,000	31,000	34,000	0
Motion Picture and Television - Number of temporary jobs created	12,000	10,000	12,000	0
Neighborhood Development Division - Number of community development corporations supported	10	11	11	0
Neighborhood Development Division - Number of neighborhood revitalization projects monitored	60	64	63	0

Office of Business and Economic Development

Table III **Agency Appropriated Summary by Expenditure Type**

Expenditure Type	Staffing (FTE)				Funding			
	FY 92 Actual	FY 93 Budget	FY 93 Revised	FY 94 Proposed	FY 92 Actual	FY 93 Budget	FY 93 Revised	FY 94 Proposed
Personal Services								
Regular Pay	31.3	28.0	28.0	0.0	1,076,258	1,181,000	1,123,000	0
Other Pay	0.3	0.0	0.0	0.0	14,144	0	0	0
Additional Gross Pay	0.0	0.0	0.0	0.0	25,705	0	0	0
Fringe Benefits	0.0	0.0	0.0	0.0	145,409	143,000	152,000	0
Total Personal Services	31.6	28.0	28.0	0.0	1,261,516	1,324,000	1,275,000	0
NonPersonal Services								
Supplies					7,916	7,000	7,000	0
Energy					0	0	0	0
Communications					38,890	84,000	60,000	0
Building Rent					651,054	557,967	899,967	0
Other Services & Charges					260,168	876,305	626,305	0
Subsidies & Transfers					276,730	472,000	187,000	0
Equipment					11,942	21,000	21,000	0
Total NonPersonal Services					1,246,700	2,018,272	1,801,272	0
TOTAL AGENCY	31.6	28.0	28.0	0.0	2,508,216	3,342,272	3,076,272	0

Department of Employment Services

Agency Overview

Mission

The mission of the Department of Employment Services (DOES) is to provide meaningful employment and training opportunities; ensure timely benefits for the unemployed, injured workers, and innocent victims of crime; and promote safe, healthy, and productive workplaces for employees and employers.

Agency Description

The department, in collaboration with the private sector, neighborhood based organizations, and other government agencies, provides comprehensive employment and job training services through promoting jobs, assisting youth, retaining and attracting business and residents, and ensuring that basic levels of human support, personal dignity, and self-sufficiency are maintained and enhanced.

The work of the department is carried out through the following major programs:

- Training and Development--includes job and training programs for youth and adults, including special programs for senior citizens, welfare recipients, ex-offenders, and Hispanics.
- Employment Security Services--includes job placement and referral services for job seekers, and labor recruitment services for employers, as well as unemployment insurance benefits and employer tax collection services.
- Labor Standards--includes services that protect employees' rights, wages, workers' compensation benefits, and occupational safety and health in the workplace, as well as crime victims' compensation.
- Finance and Administrative Services--includes financial, administrative, and computer systems support activities.
- Executive Direction--includes all key policy and administrative direction and support for the agency.

Agency Budget Summary

FY 1994: The *total* budget from all funding sources in FY 1994 is $68,542,850 and 961.3 full-time equivalent (FTE) positions, a reduction of $6,547,804 and an increase of 17.2 FTEs from the revised total FY 1993 budget. The *appropriated* request for FY 1994 is $26,530,000 and 290.9 FTEs, a reduction of $1,413,000 and 18 FTEs from the revised FY 1993 request, and $2,263,000 and 18 FTEs from the approved FY 1993 budget. The *nonappropriated* budget for FY 1994 totals $42,012,850 and 670.4 FTEs, a reduction of $5,134,804 and an increase of 35.2 FTEs from the revised FY 1993 budget.

Department of Employment Services

FY 1993 Revised: The revised FY 1993 *appropriated* budget of $27,943,000 reflects a reduction of $850,000 (and no change in FTEs). The changes are described in detail in the program section of the budget. Major *appropriated* funding changes include the following:

- For the FY 1994 and the revised FY 1993 budgets funding for selected youth and adult training programs will be reduced. However, this reduction should not affect any participant currently receiving training.

- In FY 1994, staffing adjustments in the Employment Security Services control center will result in a decrease of $542,000 and 15 FTEs from the revised FY 1993 budget. The FY 1994 budget also reflects a reduction of $72,000 and 2 FTEs in the Finance and Administrative Services control center and, $36,000 and 1 FTE in the Executive Direction control center.

- Adjustments for the furlough and freeze of within-grade increases result in agencywide reductions in the FY 1993 revised budget of $367,000 and $85,000, respectively.

- Adjustments for health benefits in FY 1994 result in an increase of $185,000 over the revised FY 1993 budget. The revised FY 1993 budget is increased by $129,000 for health benefits.

- The assumption of rent payments for the Latino Employment Service Center results in an increase in the revised FY 1993 budget of $73,000, with this same funding also provided in FY 1994.

Budget Strategy & Impacts

Strategy: Most of the programs operated by DOES are financed with Federal funds. District funds have been utilized to supplement these federal funds; to replace federal funds when they have been reduced; and/or to provide services to residents who do not meet federal guidelines and criteria. The mandatory programs and services in the Labor Standards Programs, along with the Employment Security Services Programs will be maintained. Major Youth programs such as Summer Youth, Out-of-School and the Youth Leadership and Development Institute will not be reduced. Job and training services for youth will remain a high priority for the agency. The agency in concert with other District agencies will take advantage of recent federal initiatives under the Family Support Act. This is a strategy which has been adopted by other jurisdictions to move people from welfare and into productive employment.

Impacts: In the revised FY 1993 budget, DOES has a reduction of $850,000 and the FY 1994 budget has a reduction of $1,413,000 from the revised FY 1993 budget. These are reductions in District funds and where possible federal grants will be sought to minimize the impact of programs which are reduced. There is significant opportunity under the federal Family Services Act to replace District funded job training programs with federal support. For example, individuals now under the SMART program would be eligible for job training, continued income support, medical services and job placement under the Family Services Act programs administered by the Department of Human Services.

Department of Employment Services

Table I **Agency Staffing and Funding Detail**

Programs	Staffing (FTE Positions)				Funding			
	FY92 Actual	FY93 Budget	FY93 Revised	FY94 Proposed	FY92 Actual	FY93 Budget	FY93 Revised	FY94 Proposed
Executive Direction	169.9	76.2	89.5	95.0	9,286,736	3,636,151	4,179,401	4,541,000
Finance & Administrative Services	68.3	171.5	174.7	193.5	6,070,271	10,686,850	12,284,208	11,366,850
Labor Standards	131.2	190.5	190.5	197.0	8,597,034	10,593,197	10,724,368	11,302,000
Employment and Training	519.0	0.0	0.0	0.0	44,156,438	0	0	0
Training and Development	0.0	181.6	195.2	185.8	0	31,510,340	31,885,399	27,797,000
Employment Security Services	0.0	289.8	294.2	290.0	0	15,808,452	16,017,278	13,536,000
Total Agency	888.4	909.6	944.1	961.3	68,110,479	72,234,990	75,090,654	68,542,850
Appropriated Funds	299.3	308.9	308.9	290.9	26,203,466	28,793,000	27,943,000	26,530,000
Federal Funds	435.7	379.2	406.8	409.4	31,978,370	29,997,606	33,188,814	28,576,850
Intra-District Funds	39.0	59.3	59.3	43.0	3,004,468	2,621,961	2,621,961	2,093,000
Other Funds	114.4	162.2	169.2	218.0	6,924,175	10,822,423	11,336,879	11,343,000

Table II **Agency Outputs**

Measures	FY 1991	FY 1992	FY 1993	FY 1994
Applicants for Employment & Training Services	78,877	88,530	83,000	83,000
Job/Training Program Enrollment Levels	18,617	25,997	22,702	21,414
Individuals Placed in Jobs	19,690	22,261	22,635	22,000
Individuals Receiving Unemployment Compensation	41,293	61,501	55,000	55,000
Disability Compensation New Injuries Reported	4,554	4,458	4,500	4,500
Crime Victims' Compensation Awards Issued	111	118	125	125
Occupational Safety & Health Inspections of Workplaces	427	373	375	375

Department of Employment Services

Table V Agency Appropriated Summary by Expenditure Type

Expenditure Type	Staffing (FTE)				Funding			
	FY 92 Actual	FY 93 Budget	FY 93 Revised	FY 94 Proposed	FY 92 Actual	FY 93 Budget	FY 93 Revised	FY 94 Proposed
Personal Services								
Regular Pay	197.9	302.0	302.0	284.0	7,910,596	10,180,000	9,733,000	9,627,000
Other Pay	101.4	6.9	6.9	6.9	656,384	152,000	147,000	152,000
Additional Gross Pay	0.0	0.0	0.0	0.0	213,894	0	0	0
Fringe Benefits	0.0	0.0	0.0	0.0	1,227,498	1,734,000	1,863,000	1,951,000
Total Personal Services	299.3	308.9	308.9	290.9	10,008,372	12,066,000	11,743,000	11,730,000
NonPersonal Services								
Supplies					163,476	134,000	134,000	134,000
Energy					167,503	166,002	166,002	166,003
Communications					258,204	307,998	307,998	307,997
Building Rent					259,887	235,000	308,000	313,000
Other Services & Charges					1,118,016	1,024,000	1,024,000	1,019,000
Subsidies & Transfers					13,999,166	14,763,000	14,163,000	12,763,000
Equipment					228,841	97,000	97,000	97,000
Total NonPersonal Services					16,195,093	16,727,000	16,200,000	14,800,000
TOTAL AGENCY	299.3	308.9	308.9	290.9	26,203,465	28,793,000	27,943,000	26,530,000

MARIA BORRERO
DIRECTOR
DEPARTMENT OF EMPLOYMENT SERVICES

MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE, I AM PLEASED TO PRESENT THE FY 1994 AND REVISED FY 1993 BUDGET REQUESTS FOR THE DEPARTMENT OF EMPLOYMENT SERVICES, AND THE DISABILITY AND UNEMPLOYMENT COMPENSATION FUNDS.

DURING 1992, THE WASHINGTON AREA'S ECONOMY CONTINUED TO EXPERIENCE A RECESSION WITH A JOB MARKET THAT PROGRESSIVELY DETERIORATED. FOR ALL OF 1992, THE DISTRICT'S UNEMPLOYMENT RATE AVERAGED AN ESTIMATED 8.5 PERCENT, UP FROM 7.7 PERCENT IN 1991. RECENTLY THE LOCAL ECONOMY HAS BEGUN TO SHOW SOME MIXED SIGNS OF RECOVERY. FOR EXAMPLE, BETWEEN MARCH OF 1992 AND MARCH OF 1993, THE METROPOLITAN AREA ADDED 14,000 NEW JOBS, WITH THE DISTRICT CONTRIBUTING 3,000. BUT THIS JOB GROWTH REPRESENTS VERY WEAK GROWTH OF ABOUT HALF OF A PERCENT. WHILE THE UNEMPLOYMENT RATE IN THE AREA HAS SHOWN SOME SIGNS OF IMPROVEMENT, THE RATE IN THE DISTRICT REMAINS HIGH. IN MARCH THE AREA JOBLESS RATE MEASURED 4.4 PERCENT OF THE LABOR FORCE, DOWN FROM 5.3 PERCENT IN MARCH OF 1992. THE RATE IN THE DISTRICT, HOWEVER, WAS NEARLY DOUBLE AT 8.3 PERCENT AND UP FROM 7.7 PERCENT A YEAR EARLY. THUS THE CURRENT RECOVERY APPEARS TO BE VERY FRAGILE AND REFLECTS SIMILAR SLUGGISHNESS IN THE NATIONAL ECONOMY. WITH THE SLOW START SO FAR THIS SPRING, WE EXPECT THE LOCAL ECONOMY AND LABOR MARKET WILL REMAIN WEAK THROUGH THE REST OF 1993 AND INTO EARLY 1994.

WHILE 1993 SHOULD BEGIN TO SHOW POSITIVE JOB GROWTH IN THE DISTRICT AND THE METROPOLITAN AREA, THIS NEW JOB GROWTH WILL BE VERY MODEST AND NOT STRONG ENOUGH TO IMPACT SIGNIFICANTLY ON UNEMPLOYMENT RATES. IN FACT, LOCAL UNEMPLOYMENT RATES COULD ACTUALLY INCREASE WHEN DISCOURAGED WORKERS JOIN OTHERS IN A JOB MARKET THAT IS GROWING MUCH TOO SLOWLY TO ABSORB AN EXPANDING LABOR FORCE. THE CONDITION OF THE LABOR MARKET WILL UNFORTUNATELY CONTINUE TO PLACE HIGH DEMANDS ON OUR "SAFETY NET" PROGRAMS, SUCH AS UNEMPLOYMENT COMPENSATION, JOB COUNSELING, REFERRAL, AND PLACEMENT, AS WELL AS JOB TRAINING AND RETRAINING SERVICES.

THE CONTINUING RECESSIONARY TREND IN THE LOCAL ECONOMY CONTINUES TO PLACE TREMENDOUS DEMANDS ON THE AGENCY'S SERVICE DELIVERY SYSTEMS, PARTICULARLY IN THE UNEMPLOYMENT INSURANCE SERVICES OFFERED IN OUR COMPREHENSIVE EMPLOYMENT SERVICE CENTERS. AS PROPOSED BY PRESIDENT CLINTON, THE CONGRESS ENACTED AN EXTENSION (THROUGH OCTOBER 2, 1993) OF THE 100% FEDERALLY FUNDED EMERGENCY UNEMPLOYMENT COMPENSATION (EUC) PROGRAM, WHICH HAD BEEN SCHEDULED TO EXPIRE ON MARCH 6, 1993. THE EXTENSION WILL PROVIDE FOR THE CONTINUATION OF AN ADDITIONAL 20 WEEKS OF BENEFITS TO UNEMPLOYED WORKERS WHO HAVE EXHAUSTED THEIR REGULAR UNEMPLOYMENT INSURANCE BENEFITS. WE EXPECT THAT APPROXIMATELY 12,000 INITIAL EUC CLAIMS WILL BE PROCESSED AS RESULT OF THE EXTENSION.

THE DEPARTMENT'S FY 1993 REVISED AND FY 1994 BUDGET REQUESTS WERE DEVELOPED WITH CAREFUL CONSIDERATION OF ALL OF THE GROWING CHALLENGES AND SERVICE DEMANDS THAT EXIST AS A RESULT OF THE CURRENT AND PROJECTED STATE OF OUR ECONOMY. YOU MAY BE ASSURED THAT THE DEPARTMENT AND ITS DEDICATED STAFF, WITH YOUR CONTINUED SUPPORT, WILL MEET THESE CHALLENGES BY CONTINUING THE DISTRICT'S COMMITMENT TO QUALITY EMPLOYMENT AND TRAINING SERVICES.

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2)

OVERVIEW OF FY 1994 BUDGET REQUEST

IN FY 1994, WITH BOTH LOCAL AND FEDERAL FUNDING, THE DEPARTMENT WILL CONTINUE TO OPERATE MORE THAN 30 EMPLOYMENT AND LABOR-RELATED PROGRAMS. WE WILL ASSIST AN ESTIMATED 83,000 PERSONS SEEKING JOB TRAINING AND PLACEMENT SERVICES. THE AGENCY WILL ENROLL OVER 21,000 PERSONS IN ITS EMPLOYMENT AND TRAINING PROGRAMS, AND WILL PLACE APPROXIMATELY 22,000 PERSONS IN JOBS (INCLUDING, AT A MINIMUM, 11,500 SUMMER YOUTH). THE AGENCY'S LABOR STANDARDS PROGRAMS WILL PROVIDE SERVICES THAT BENEFIT WORKERS ON THE JOB, INCLUDING THE ENFORCEMENT OF MINIMUM WAGE LAWS, OCCUPATIONAL SAFETY AND HEALTH STANDARDS, AND WORKERS' COMPENSATION BENEFITS.

THE AGENCY'S FY 1994 APPROPRIATED BUDGET REQUEST IS $26.5 MILLION, A DECREASE OF $2.3 MILLION FROM THE ORIGINAL FY 1993 BUDGET OF $28.8 MILLION, AND A DECREASE OF $1.4 MILLION FROM THE REVISED FY 1993 BUDGET OF $27.9 MILLION. THE MAJOR COMPONENTS OF THE $26.5 MILLION REQUESTED FOR FY 1994, BY PROGRAM AREA, INCLUDE:

-- $19.2 MILLION FOR EMPLOYMENT AND TRAINING PROGRAMS (A DECREASE OF $2.3 MILLION FROM THE ORIGINAL FY 1993 BUDGET);
-- $4.0 MILLION FOR LABOR STANDARDS PROGRAMS (AN INCREASE OF $79,000); AND,
-- $3.3 MILLION FOR EXECUTIVE DIRECTION, AND FINANCE AND ADMINISTRATIVE SERVICES (AN DECREASE OF $45,000).

THE OVERALL REDUCTION OF $2.3 MILLION CONTAINED IN THE FY 1994 REQUEST INCLUDES:
-- REDUCTIONS TOTALING $2.0 MILLION IN JOB TRAINING PROGRAMS;
-- A REDUCTION OF $542,000 AND 15 POSITIONS IN EMPLOYMENT SERVICES;
-- A REDUCTION OF $108,000 AND 3 POSITIONS IN EXECUTIVE DIRECTION;
-- AN INCREASE OF $314,000 FOR HEALTH BENEFITS; AND
-- AN INCREASE OF $73,000 FOR THE ASSUMPTION OF RENT PAYMENTS FOR THE LATINO EMPLOYMENT SERVICES CENTER.

WITH THE EXCEPTION OF THE SUMMER YOUTH, YOUTH LEADERSHIP AND DEVELOPMENT INSTITUTE, AND OUT-OF-SCHOOL PROGRAMS, ALL MAJOR LOCALLY FUNDED JOB TRAINING PROGRAMS WILL BE REDUCED. THESE REDUCTIONS WILL BE EFFECTED IN SEVEN APPROPRIATED "YEAR-ROUND" PROGRAMS:
-- TRAINING/RETRAINING (REDUCTION OF $200,000)
-- ON-THE-JOB TRAINING (REDUCTION OF $334,000)
-- SINGLE MOTHERS ARE RESOURCES TOO (SMART) (REDUCTION OF $341,000)
-- PREAPPRENTICESHIP (REDUCTION OF $400,000)
-- SPECIAL TEMPORARY EMPLOYMENT PROGRAM (STEP) (REDUCTION OF $225,000)
-- IN-SCHOOL (REDUCTION OF $231,000), AND
-- PARTNERSHIPS FOR SPECIAL INITIATIVES (FORMERLY PROJECT SUCCESS) (REDUCTION OF $269,000).

THE FY 1994 REQUEST ALSO INCLUDES A REDUCTION OF 18 APPROPRIATED POSITIONS AND ASSOCIATED FUNDING OF $650,000. THIS FUNDING HAD PREVIOUSLY BEEN PROVIDED TO OFFSET THE CONTINUED DECLINE OF FEDERAL GRANT FUNDING FOR EMPLOYMENT SERVICES FOR JOB SEEKERS. THE PROPOSED REDUCTIONS IN APPROPRIATED POSITIONS WILL IMPACT THE AGENCY'S ABILITY TO ENHANCE EMPLOYMENT SERVICE OPERATIONS BY STAFFING THESE LABOR INTENSIVE SERVICES AT THE MAXIMUM OPTIMAL LEVELS. HOWEVER, A FULL RANGE OF EMPLOYMENT SERVICES WILL CONTINUE TO BE PROVIDED WITH FEDERAL GRANT FUNDS.

THE REDUCTION IN APPROPRIATED SPENDING FOR EMPLOYMENT SERVICES WILL BE PARTIALLY OFFSET BY THE IMPENDING AWARD OF FEDERAL FUNDS FOR A DEMONSTRATION GRANT THAT WILL BEGIN NEXT FISCAL YEAR. THIS DEMONSTRATION PROJECT, AWARDED TO TWO OTHER STATES AND THE DISTRICT OF COLUMBIA, WILL PROVIDE JOB SEARCH ASSISTANCE TO PERSONS RECEIVING UNEMPLOYMENT COMPENSATION. THE AGENCY EXPECTS TO RECEIVE APPROXIMATELY $335,000 IN FEDERAL FUNDS FOR THIS PROJECT IN FY 1994; THE DEMONSTRATION PROJECT WILL SPAN A TOTAL OF 60 MONTHS.

3)

FY 1993 REVISED BUDGET REQUEST

THE REVISED FY 1993 APPROPRIATED BUDGET REQUEST FOR THE DEPARTMENT IS $27.9 MILLION, A DECREASE OF $850,000 FROM THE ORIGINALLY APPROVED BUDGET OF $28.8 MILLION. THE REVISED FY 1993 REQUEST, WHICH IS $1.4 MILLION MORE THAN THE FY 1994 REQUEST, ESSENTIALLY DIFFERS FROM THE FY 1994 REQUEST IN THE AREAS NOTED BELOW.

CHANGES CONTAINED IN THE FY 1994 REQUEST (BUT NOT IN THE REVISED FY 1993 PLAN) INCLUDE:
-- THE FY 1994 REQUEST PROVIDES ADDITIONAL FUNDING OF $26,000 FOR THE TRAINING/RETRAINING PROGRAM;
-- THE FY 1994 REQUEST CONTAINS $317,000 LESS THAN THE REVISED FY 1993 BUDGET IN THE SMART PROGRAM, WHICH WILL BE ELIMINATED IN FY 1994.
-- THE FY 1994 REQUEST CONTAINS $150,000 LESS THAN THE REVISED FY 1993 BUDGET IN THE IN-SCHOOL PROGRAM, $334,000 LESS IN THE ON-THE-JOB TRAINING PROGRAM, AND $400,000 LESS IN THE PREAPPRENTICESHIP PROGRAM;
-- THE FY 1994 REQUEST CONTAINS A REDUCTION OF 18 FTE POSITIONS AND $650,000 FROM THE FY 1993 LEVEL FOR EMPLOYMENT SERVICES.

THE REVISED FY 1993 REQUEST ALSO INCLUDES A ONE-TIME REDUCTION FOR FURLOUGH AND WITHIN-GRADE ADJUSTMENTS OF $367,000 AND $85,000, RESPECTIVELY.

DISABILITY COMPENSATION FUND

THE FY 1994 REQUEST FOR THE DISABILITY COMPENSATION FUND IS $17.9 MILLION, A DECREASE OF $1,110,000 FROM BOTH THE FY 1993 ORIGINAL AND REVISED BUDGETS OF $19,015,000. THE AGENCY PROPOSES TO ACHIEVE COST SAVINGS BY DEVELOPING AND SUBMITTING LEGISLATIVE CHANGES AND CONTINUING WITH ADMINISTRATIVE IMPROVEMENTS. THE PROPOSED LEGISLATIVE CHANGES UNDER CONSIDERATION WILL BE DEVELOPED IN CONSULTATION WITH REPRESENTATIVES OF THE LABOR COMMUNITY IN AN EFFORT TO ACHIEVE CONSENSUS ON THE LEGISLATION TO BE PROPOSED. SEVERAL ADMINISTRATIVE ACTIONS ARE PLANNED AND/OR ARE UNDERWAY TO IMPROVE OPERATIONS OF THE PROGRAM AND ASSIST IN CONTROLLING COSTS. THESE EFFORTS INCLUDE FULL AUTOMATION, FULL STAFFING, MEDICAL UTILIZATION REVIEW, AND INCREASED USE OF RETURN TO LIGHT DUTY WORK ASSIGNMENTS.

UNEMPLOYMENT COMPENSATION FUND

THE FY 1994 REQUEST FOR THE UNEMPLOYMENT COMPENSATION FUND IS $7.9 MILLION, NO CHANGE FROM THE FY 1993 ORIGINAL BUDGET AND AN INCREASE OF $900,000 FROM THE REVISED FY 1993 BUDGET OF$7,044,000. THE AGENCY PROJECTS TO COMPENSATE 3,150 PERSONS IN FY 1994, REPRESENTING A MODERATE INCREASE OF 470 PERSONS OVER THE FY 1992 ACTUAL NUMBER OF 2,680 CLAIMANTS. THE REVISED PROJECTION OF THE NUMBER OF CLAIMANTS COMPENSATED FOR FY 1993 IS 2,795, AN INCREASE OF 115.

BEFORE CONCLUDING MY REMARKS, I WOULD LIKE TO BRIEFLY MENTION THE DEPARTMENT'S "BLUEPRINT FOR EXCELLENCE". IN AN EFFORT TO MOVE D.O.E.S. INTO NEW DIRECTIONS, THE DEPARTMENT, IN COLLABORATION WITH THE AMERICAN FEDERATION OF GOVERNMENT EMPLOYEES, LOCAL #1000, HAS DEVELOPED AN ORGANIZATIONAL DEVELOPMENT PLAN (OR "BLUEPRINT"). THE BLUEPRINT DESCRIBES A PROCESS TO CHANGE THE CULTURE AND PHILOSOPHY OF THE AGENCY TO ONE WHICH VALUES EMPLOYEES, IS CUSTOMER-FOCUSED, AND EMPHASIZES TEAMWORK AMONG ALL LEVELS OF STAFF. EVERY EMPLOYEE IN THE AGENCY HAD A ROLE IN DEVELOPING THE PLAN, AND ALL EMPLOYEES HAVE RECEIVED A ONE-DAY ORIENTATION ON THE PURPOSE AND OBJECTIVES OF THE PLAN. WHILE MUCH TRAINING AND WORK TOWARD THE GOALS OF THE "BLUEPRINT" REMAIN AHEAD, I AM PLEASED TO REPORT THAT WE HAVE ALREADY BEGUN TO REALIZE IMPROVED MORALE AMONG STAFF AND A POSITIVE IMPACT ON THE QUALITY OF SERVICES TO OUR CUSTOMERS.

THIS CONCLUDES MY OVERVIEW OF OUR BUDGET REQUESTS. I LOOK FORWARD TO YOUR SUPPORT OF THESE REQUESTS AND OUR MUTUAL COMMITMENT TO MAKE A SIGNIFICANT CONTRIBUTION TO THE ECONOMIC GROWTH AND SOCIAL STABILITY OF THE DISTRICT OF COLUMBIA.

Office of International Business

Agency Overview

Mission

The mission of the Office of International Business is to attract new business, expand employment opportunities for District residents and increase the city's tax base.

Agency Description

The Office of International Business (OIB) has the objective to bring international opportunities closer to District businesses and to transform global opportunities into local economic development. OIB promotes international trade and investment by encouraging the development and expansion of local businesses into the global arena. The agency also promotes the vast opportunities available to businesses located in the District of Columbia, which is the center for international commerce and investment.

Agency Budget Summary:

FY 1994: In FY 1994, the Office of International Business will not exist as a separate entity. In FY 1994, the functions of Office of International Business will be transferred to the Office of the Assistant City Administrator for Economic Development as a responsibility center.

FY 1993 Revised: The revised appropriated FY 1993 budget is $344,000 and 4 FTEs, a reduction of $13,000 and one FTE from the approved FY 1993 budget.

Major changes are as follows:

- A reduction of $357,000 and 5 FTEs as a result of abolishing the office in FY 1994 as a separate entity.
- A reduction of $11,000 is provided for furlough savings in the revised FY 1993 budget.
- A reduction of $3,000 is provided for within-grade savings in the revised FY 1993 budget.
- An increase of $1,000 is provided for health benefits in the revised FY 1993 budget.

Budget Strategy and Impacts

Strategy: The workload and service demands of the program will continue in FY 1993 at current levels. To meet the budget reduction requirements while continuing to achieve the department's basic mission, OIB will accelerate efforts to secure outside funding for its programs through registration fees for meetings and seminars, user fees, federal and private grants and in-kind contributions of materials and personnel.

Office of International Business

Impacts: The overall effect of the budget reductions should not impact upon staff responsiveness to constituency needs in FY 1993. They will, however, reduce the number and frequency of OIB's meetings and seminars and reduce the agency's ability to undertake new initiatives. OIB's quest to initiate and sponsor overseas business promotion missions will be delayed.

Table I **Agency Staffing and Funding Detail**

Programs	Staffing (FTE Positions)				Funding			
	FY92 Actual	FY93 Budget	FY93 Revised	FY94 Proposed	FY92 Actual	FY93 Budget	FY93 Revised	FY94 Proposed
Office of International Business	5.5	5.0	4.0	0.0	408,993	357,000	344,000	0
Total Agency	5.5	5.0	4.0	0.0	408,993	357,000	344,000	0
Appropriated Funds	5.5	5.0	4.0	0.0	395,041	357,000	344,000	0
Federal Funds	0.0	0.0	0.0	0.0	4,782	0	0	0
Intra-District Funds	0.0	0.0	0.0	0.0	0	0	0	0
Other Funds	0.0	0.0	0.0	0.0	9,170	0	0	0

Table II **Agency Outputs**

Measures	FY 1991	FY 1992	FY 1993	FY 1994
Trade/Investment Missions	2	2	2	0
Trade Leads Developed	800	900	800	0
Trade Seminars/Conferences	16	16	14	0
Industry/Country Sector Briefings	3	4	3	0
Firms Assisted in Export Promotion	900	1,000	900	0

Office of International Business

Table V **Agency Appropriated Summary by Expenditure Type**

Expenditure Type	Staffing (FTE)				Funding			
	FY 92 Actual	FY 93 Budget	FY 93 Revised	FY 94 Proposed	FY 92 Actual	FY 93 Budget	FY 93 Revised	FY 94 Proposed
Personal Services								
Regular Pay	5.5	5.0	4.0	0.0	230,437	204,000	190,000	0
Other Pay	0.0	0.0	0.0	0.0	6,849	0	0	0
Additional Gross Pay	0.0	0.0	0.0	0.0	0	0	0	0
Fringe Benefits	0.0	0.0	0.0	0.0	39,638	25,000	26,000	0
Total Personal Services	5.5	5.0	4.0	0.0	276,924	229,000	216,000	0
NonPersonal Services								
Supplies					6,875	8,000	8,000	0
Energy					0	0	0	0
Communications					7,305	6,000	6,000	0
Building Rent					84,434	84,000	84,000	0
Other Services & Charges					10,487	28,000	28,000	0
Subsidies & Transfers					0	0	0	0
Equipment					9,017	2,000	2,000	0
Total NonPersonal Services					118,118	128,000	128,000	0
TOTAL AGENCY	5.5	5.0	4.0	0.0	395,042	357,000	344,000	0

GOVERNMENT OF THE DISTRICT OF COLUMBIA

D.C. Office of International Business

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(202) 727-1576
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OPENING STATEMENT
OF
BILL BYRD
ACTING DIRECTOR
DC OFFICE OF INTERNATIONAL BUSINESS

HOUSE HEARINGS ON THE FY 1994 BUDGET
AND THE FY 1993 SUPPLEMENTAL BUDGET

FRIDAY, 4 JUNE 1993

Introduction

On Monday, 19 April 1993, I began working as Acting Director of the DC Office of International Business (OIB). Over the past 5 weeks I have evaluated the past programs and activities of OIB, and have begun a program planning process in conjunction with OIB staff, that will refocus office operations more proactively for businesses in Washington DC.

In this opening statement I will:

- Revisit the priorities of the Mayor and the mission of OIB;
- Review OIB's accomplishments in this fiscal year to date;
- Discuss the FY 1993 supplemental budget;
- Present our plans for the future; and
- Discuss the FY 1994 budget.

The Priorities of the Mayor and the Mission of OIB

As mentioned in last year's opening statement, OIB was established in November 1987 by Mayor's Order 87-262. Under the current FY 1993 organization, OIB is a separate cabinet level agency under the Office of the Deputy Mayor for Economic Development (DMED) and is the primary agency responsible for economic development through international business.

OIB's mission has traditionally been stated as helping to stimulate the local economy and supporting the city's economic development goals through a two-pronged approach: (1) the expansion of local businesses through the

promotion of exports; and (2) the attraction of foreign investment to the District of Columbia.

The demographics of Washington DC and the type and level of unemployment and underemployment among city residents dictate that the emphasis for local business expansion is with small, minority, and disadvantaged companies. The emphasis for employment opportunities resulting from foreign investment is with minority and disadvantaged DC residents.

OIB's Accomplishments FY 1993 to Date

To date during FY 1993, OIB has promoted local business exports primarily through outreach, conferences, workshops, seminars and training programs sponsored either solely by OIB or jointly by OIB with other organizations. In addition, OIB cosponsored a trade mission to Africa. These activities are synopsized below:

- Outreach programs
  - Meeting with the Ghanian Minister of Trade and Tourism (8 October 1992)
  - Meeting with DC-based export trading companies (1 December 1992)
  - Tour of the Port of Baltimore for DC exporters, cosponsored with the Port of Baltimore (3 December 1992)
  - Tour of the Port of Baltimore for DC exporters, cosponsored with the Port of Baltimore (19 March 1993)
  - Luncheon address before the Indonesian American Business Council of Washington DC (14 April 1993)
  - Counseling constituent companies on international business (ongoing)
  - Handling inquiries from foreign trade missions traveling in the U.S. who are seeking to import U.S. products (ongoing)
- Conferences and workshops
  - Procurement opportunities for local small business through the International Lending Agencies (e.g., U.S. Agency for

International Development, World Bank, InterAmerican Development Bank, and others), cosponsored with the DC Office of Human Rights and Minority Business Development (15 October 1992)

- Business opportunities in Africa, cosponsored with the Institute of African Affairs and the U.S. Small Business Administration

- International Trade Day, cosponsored with the National Association of Women Business Owners and the U.S. Small Business Administration, with the luncheon address by Mayor Kelly (14 May 1993)

- Conference on re-engineering the future of trade, cosponsored with the International Trade Facilitation Council (26 May 1993)

- Conference on global competitiveness, cosponsored with Georgetown University (2 June 1993)

• Seminars and training programs

- Eight-week international trade certificate course (30 September through 18 November 1992)

- One-day advanced trade seminar (26 October 1992)

- Eight-week international trade certificate course (20 January through 10 March 1993)

- One-day advanced trade seminar (8 February 1993)

- Eight-week international trade certificate course (12 May through 30 June 1993)

• Trade mission

- Trade mission to West Africa (Ghana, Guinea and The Gambia), cosponsored with the Overseas Private Investment Corporation and the U.S. Agency for International Development (20 March 1993)

OIB's outreach, conferences, workshops, seminars and training programs have been successful in that these programs have provided guidance and

information to many Washington area companies that are either new to export, or that are not yet exporting, but are interested in finding out more about exporting and other aspects of international business.

With regard to foreign investment in Washington DC, a November 1992 survey conducted by the Association of Foreign Investors in U.S. Real Estate ranked Washington DC highest in the U.S. for future real estate and retail investment by foreign investors. These types of investments though welcome, are not the primary focus of OIB's foreign investment attraction efforts. OIB primarily seeks to attract foreign investments that will create employment for city residents and generate tax revenue for the city.

To date during FY 1993, OIB has worked on foreign investment attraction primarily through outreach and research. In addition, a small advertising campaign was recently established. These foreign investment attraction activities have included:

- Outreach
  - George Brown, Deputy Mayor for Economic Development, addressed British American Business Association (1 October 1992)
  - Afternoon tea with the British American Business Association, hosted by Mayor Kelly (16 December 1992)
  - Foreign company dialog program meeting with the British business community (25 March 1993)
  - Matsuri Japan Festival on the Mall, cosponsored with the Japan America Society (3 April 1993)
  - Established representational office in Brussels, Belgium, that to date has resulted in 2 European companies opening offices in Washington DC in FY 1993
- Research
  - Foreign business attraction program - identified major foreign companies that do not have offices in Washington DC (31 March 1993)
  - Handling inquiries from foreign organizations interested in establishing operations in Washington DC (ongoing)

- Advertising
  - "DC Looks For New Business Overseas" article in USA Today/International Edition (24 October 1992)
  - Full page advertisement in USA and Europe: The New Era, to be published in the summer of 1993 by the European Council of American Chambers of Commerce

OIB's outreach among foreign business associations located in Washington DC has provided insight into the needs and expectations of foreign businesses seeking to invest in Washington DC. Our research efforts have identified the major foreign companies who do not have representational offices in Washington DC, and we have developed an incentive package that may encourage some of these companies to consider Washington DC for their representative offices.

OIB periodically receives inquiries from foreign organizations who express interest in establishing a manufacturing, assembly, or processing operation in Washington DC. While most of these inquiries prove to be less than concrete, there has been one serious inquiry this fiscal year to date. A Korean firm desired to establish an assembly plant for computer monitors here that would initially employ approximately 200 city residents, and would grow to employ 400 city residents. OIB staff worked closely with this organization and liaised with other DC agencies to facilitate their site selection and other requirements. Although this project did not reach fruition, our experience gained from working closely with this firm will no doubt be beneficial for future serious inquiries.

The advertisement placed in the foreign periodical is the first of what is hoped will be a series of advertisements strategically placed in foreign business oriented journals. These ads are intended to inform the foreign business community that:

- Washington DC is a good place to do business;
- We are interested in having their business; and
- They should consider locating their representative office, and/or their manufacturing, assembly, or processing operation here.

The FY 1993 Supplemental Budget

The revised FY 1993 appropriated budget request for OIB is $344,000 and 5 continuing full-time positions, a net decrease of $13,000 from the FY 1993 Congressionally approved budget of $357,000.

The personal services budget is $216,000, a decrease of $13,000 below the FY 1993 approved budget of $229,000, which includes a reduction of $11,000 for furlough savings and $3,000 for within-grade savings. This represents OIB's share of furlough and within-grade savings as DC agencies were required to place employees on 12 days of furlough for FY 1993 as well as not award within-grade increases. The $14,000 reduction is offset by an increase of $1,000 for increased health benefits costs. The nonpersonal services budget is $128,000, the same level as the FY 1993 approved budget.

OIB's Plans for the Balance of FY 1993 and for FY 1994

In FY 1994, OIB will cease to function as a separate cabinet level agency. OIB will become a component of the Office of the Deputy Mayor for Economic Development (DMED). However, OIB's staff and programs will remain the primary DC government entity responsible for economic development through international business. In past years OIB has operated with limited budget and resources. In FY 1994, the new OIB entity will have even less budget and resources. Therefore, OIB is conducting a program planning exercise that will refocus office operations to enable the future OIB staff to operate in the new organizational environment, and to operate more proactively for businesses in Washington DC. It is envisioned that as a result of this exercise:

- Most of the programs and services that OIB is presently providing which are available elsewhere in Washington will be eliminated;
- New streamlined programs and services will be developed that will provide a niche for OIB in the Washington area international business community; and
- Resources outside of the traditional appropriated funds mechanism will be developed to finance these new programs and services.

Most of the programs and services that OIB has provided in Fiscal Year 1993 have been outreach to our local constituencies, conferences, workshops, seminars and training programs sponsored either solely by OIB or jointly by OIB with other organizations. Cosponsorship means OIB is jointly responsible with the other sponsoring organizations for planning,

coordinating, and marketing the event. While OIB benefits from the visibility, there is considerable staff time and cost expended. Most of these events are not income generating in and of themselves. Most of these events are sponsored by federal agencies or associations who will continue to sponsor their events whether or not OIB continues cosponsorship. Although OIB will continue with a very limited number of events, and will seek income generating events for the office, we will consider future sponsorship invitations on a case-by-case basis.

While the small, minority, disadvantaged business community in Washington DC who want to do international business can possibly benefit from additional conferences and training programs, they can benefit more by being the recipient of solid international business, particularly if that international business was provided complete with financing and management assistance. Since OIB's resources are limited, we will reduce the staff level of effort expended toward conferences and training programs in order to provide additional staff capacity to manage the following types of programs and services:

- Export financing;
- Export market prioritization;
- Export channels of distribution;
- Constituent monitoring; and
- Foreign business attraction.

Export financing

Initially, we will focus our efforts on behalf of constituent firms that want to export products. Subsequently, we will turn our attention to constituent firms that want to export services. While the above list reflects programs and services for the export of products, a similar series of programs and services will be structured to support constituent firms that desire to export services.

Our first order of business is to establish a DC export financing operation. This will be done in two parts. First we will join the City/State Program of the Export-Import Bank of the U.S. (Eximbank). We have already begun the process of applying for this program. When we are approved, OIB will become, in effect, a branch office of Eximbank, with access to the full range of loan and guarantee programs offered by

Eximbank. Further, select OIB staff will be trained by Eximbank on their application requirements and approval criteria, so we can assist constituent firms in qualifying for Eximbank programs.

After we have established Eximbank financing, we will assemble a pool of DC banks willing to lend to small firms for international business transactions under the umbrella of the Eximbank guarantee. This pool will be assembled to facilitate removal of the long lead time typically required for small firms to obtain bank financing. Banks should be interested in participating because their risk on each loan will be minimized, due to the Eximbank guarantee and any other risk sharing procedures built into the pool.

In addition to the bank lending pool, equity financing will be sought from major corporations and foundations. This will be the most difficult funding to secure, but will obviously be the most beneficial for OIB and our constituent firms.

However, with Eximbank financing and the bank lending pool in OIB's catalogue, we should be able to provide the best possible financing for projects already identified by constituent firms.

Export market prioritization

Because of OIB's limited resources, we cannot effectively deal with all world markets. Therefore, we are currently analyzing the product lines and capabilities of constituent companies and are thusly prioritizing world markets, to identify the top 12 countries with which we should be doing business on behalf of our constituent companies. A summary of our evaluation criteria for the country analysis includes:

- What constituent companies have to sell;
- What each foreign country is willing and capable of buying;
- Other reasons for pursuing business with that country (i.e., Sister City relationships, recent visits by foreign delegations, market accessibility, etc.)

Export channels of distribution

After we have prioritized the top 12 markets, we will then attempt to establish channels of distribution for the products that our constituent companies wish to sell in those countries.

Constituent monitoring

Establishing financing, selecting markets, and establishing channels of distribution in those markets should result in sales orders to our constituent companies. We will monitor constituent companies' operations to facilitate their successful response to these growth opportunities.

Foreign business attraction

The major lesson garnered from OIB's one really serious foreign investment inquiry during Fiscal Year 1993, is that there is a significant difference between what we think we should be offering foreign businesses that express interest in establishing operations here, and what these foreign businesses really require.

Therefore, we must conclude that we are not thus far offering what foreign investors want. More specifically, we are not as yet sure what we need to offer to beat the competition, because some other U.S. cities are successfully attracting foreign manufacturing, assembly, or processing operations. The important next step in our foreign business attraction effort will be to find out what the competition is doing and do it better.

We have begun a survey of major U.S. cities, states, and regions who are successfully attracting foreign investment, to find out what they are doing (including what inducements they are offering), how they are doing it, and how they have arranged their funding. The results of this survey will be analyzed, and we will prepare a policy recommendation that will address what DC needs to be doing to be competitive in attracting foreign business investment.

Meanwhile, we will continue with existing foreign business attraction activities, as resources permit.

The FY 1994 Budget

Due to the consolidation of OIB into the Office of the Deputy Mayor for Economic Development (DMED), please refer to the DMED opening statement for a discussion of OIB's FY 1994 budget.

D.C. Housing Finance Agency

Agency Overview

Mission

The mission of the District of Columbia Housing Finance Agency is to generate funds from private and public sources to increase the supply and lower the cost of funds available for residential mortgages and construction loans and thereby help alleviate the shortage of adequate housing.

Agency Description

The Agency's mission is achieved as a result of its authority to issue and sell taxable and tax-exempt securities. Securities issued by the Agency are payable exclusively from the mortgage-backed loans and other pledged assets relating to the mortgage loans. These securities are neither general obligations of the Agency, debts of the District of Columbia, nor the United States of America.

The sale of mortgage revenue bonds (MRBs) allows the Agency to finance below market interest rate loans for individual home purchasers and developers of affordable rental housing.

The Agency's single family mortgage loans are also made available to home buyers through participating financial institutions serving the Washington Metropolitan area. Participation in the Agency's Single Family Mortgage Program by other lending institutions insures greater distribution of the Agency's low interest mortgage funds to qualified low-to-moderate income individuals and families.

The work of the Agency is carried out through the following operation areas:

- **Finance**--includes all Agency financial management and administration activities; mortgage servicing; procurement, and personnel services.

- **Housing Bond Administration**--covers bond financing management and administration; financial, legal and technical advisors management activities; municipal securities market and federal regulatory policies monitoring activities; investor preference monitoring activities; and bond trustees performance review and evaluation.

- **Multi-Family Services**--provides underwriting of rental housing projects, technical assistance to developers, preparation of federally insured credit enhancement applications, identification and selection of properties for improvement by for profit and nonprofit developers, and collaborates with District government agencies relating to discretionary funding and regulatory actions.

- **Single Family Services**--includes loan origination, processing, underwriting, closing and shipping for FHA insured and VA guaranteed loans. This also includes mortgage compliance and property appraisal services.

D.C. Housing Finance Agency

- **Property Management and Construction Compliance**--covers management reviews and property inspections to determine on-site project manager's compliance with Agency regulations; independent construction oversight activities to insure that Agency financed projects are constructed in accordance with applicable federal and District building codes, and processing of Housing Assistance Payment Program (HAP) vouchers submitted by HUD Section 8 properties.

- **Management Information Services**--includes all Agency computerized data base system management activities. This also includes the establishment and maintenance of a data base primarily for the timely provision of information to trustees and the establishment and maintenance of the Agency's central file system.

- **Land Development Services**--includes project management, construction inspection, and accounting services for Agency financed infrastructure program activities.

- **Office of the Executive Director**--include all Agency management, administration and support activities.

Agency Budget Summary
FY 1994: The agency became self supporting in FY 1993 and requests no District funding.

Budget Strategy and Impacts
Strategy: The Agency is an independent entity and expects to generate revenues as follows:

(1) administrative fees from management of the collateralized single family program;

(2) administrative fees for issuance of the multi-family rental bonds;

(3) administration of the Section 8 housing assistance projects;

(4) earnings from the refunding of Financing Adjustment Factor (FAF) and non FAF projects;

(5) subleasing 3,817 square feet of Agency space;

(6) interest earnings from discretionary investments;

(7) interest earnings on single family mortgage loans; fees from originating mortgage loans and appraising single family mortgage loan property;

(8) fees for implementing the infrastructure program, and

(9) fees for servicing certain mortgage loans.

D.C. Housing Finance Agency

The Agency will continue to collect the principal and interest made on two outstanding discretionary rental rehabilitation loans.

The above referenced strategy is dependent upon shifts in resources. These revenue generating strategies reflect the Agency's goal of achieving its FY 1994 budget objectives.

Impacts:
The impact of deeper cuts and shifts in resources to fund Agency programs will be as follows:

- **Finance**-- Financial management activities and the processing of invoices and other procurement requests will be prolonged and there will be backlogs in mortgage servicing.
- **Housing Bond Administration**--There will be a decrease in bond funds available for financing of single family housing mortgages due to the lack of funds to pay issuance costs.
- **Single Family Services**--The number of loans originated by the Agency and its participating lenders will decrease due to lower bond volume capacity.
- **Property Management and Construction Compliance**--The number of management reviews and property inspections will decrease and delays in the processing of Housing Assistance Payment (HAP) vouchers will occur.
- **Management Information Services**--A computerized database information system to monitor Agency assets will be adversely affected.
- **Executive Direction and Support**--The overall efficiency of management and administration of Agency assets will be affected by additional cuts.

Table I **Agency Staffing and Funding Detail**

Programs	Staffing (FTE Positions)				Funding			
	FY92 Actual	FY93 Budget	FY93 Revised	FY94 Proposed	FY92 Actual	FY93 Budget	FY93 Revised	FY94 Proposed
DC Housing Finance Agency	0.0	0.0	0.0	0.0	966,000	0	0	0
Total Agency	0.0	0.0	0.0	0.0	966,000	0	0	0
Appropriated Funds	0.0	0.0	0.0	0.0	966,000	0	0	0
Federal Funds	0.0	0.0	0.0	0.0	0	0	0	0
Intra-District Funds	0.0	0.0	0.0	0.0	0	0	0	0
Other Funds	0.0	0.0	0.0	0.0	0	0	0	0

D.C. Housing Finance Agency

Table II — Agency Outputs

Measures	FY 1991	FY 1992	FY 1993	FY 1994
Multi-family Financing - Total Loan Total Loan Amount (000)	0	8,205	26,700	33,375
Multi-family Financing - Total Rental Units	0	128	356	445
Multi-family Financing - Low Income Units	0	128	142	178
Major-family Financing - % Low Income	0	100	40	40
Single Family Financing - Total Loan Amount (000)	42,000	7,795	35,000	55,000
Single Family Financing - Number of Loans	531	92	389	579
Single Family Financing - Average Mortgage Amount	79,100	85,313	90,000	95,000
Single Family Financing - Average Income Level	32,191	38,000	38,000	40,000

Table III — Agency Appropriated Summary by Expenditure Type

Expenditure Type	Staffing (FTE)				Funding			
	FY 92 Actual	FY 93 Budget	FY 93 Revised	FY 94 Proposed	FY 92 Actual	FY 93 Budget	FY 93 Revised	FY 94 Proposed
Personal Services								
Regular Pay	0.0	0.0	0.0	0.0	0	0	0	0
Other Pay	0.0	0.0	0.0	0.0	543,000	0	0	0
Additional Gross Pay	0.0	0.0	0.0	0.0	0	0	0	0
Fringe Benefits	0.0	0.0	0.0	0.0	63,000	0	0	0
Total Personal Services	0.0	0.0	0.0	0.0	606,000	0	0	0
NonPersonal Services								
Supplies					1,000	0	0	0
Energy					0	0	0	0
Communications					750	0	0	0
Building Rent					1,250	0	0	0
Other Services & Charges					1,000	0	0	0
Subsidies & Transfers					355,000	0	0	0
Equipment					1,000	0	0	0
Total NonPersonal Services					360,000	0	0	0
TOTAL AGENCY	0.0	0.0	0.0	0.0	966,000	0	0	0

DISTRICT OF COLUMBIA
HOUSING FINANCE AGENCY

FY 1994 BUDGET REQUEST
AND
FY 1993 SUPPLEMENTAL BUDGET REQUEST

Opening Statement

Presented to

U.S HOUSE OF REPRESENTATIVES

COMMITTEE ON APPROPRIATIONS

SUBCOMMITTEE ON THE DISTRICT OF COLUMBIA

DCHFA BOARD OF DIRECTORS

Zina G. Greene, Vice Chairman
Samuel C. Peterson
Marialice Williams Daniels
Sue A. Marshall

Calvin J. Ogden, Acting Secretary
& Acting Executive Director

DISTINGUISHED MEMBERS OF CONGRESS:

The District of Columbia Housing Finance Agency (DCHFA) is pleased to present its opening statement regarding FY 1994 budget request and FY 1993 Supplemental Budget appropriations.

Mission

The mission of the District of Columbia Housing Finance Agency ("Agency") is to generate funds from private and public sources to increase the supply and lower the cost of funds available for residential mortgages and construction loans and thereby help alleviate the shortage of affordable housing.

The Agency was created in 1979 by the Council of the District of Columbia and is governed by a five member Board of Directors.

Agency Program

The Agency Acts to fulfill its mission by issuing taxable and tax-exempt revenue bond and note securities. Securities issued by the Agency are payable exclusively from the mortgage-backed loans and other pledged assets relating to the mortgage loans. These securities are neither general obligations of the Agency, debts of the District of Columbia nor of the United States of America.

The sale of securities, specifically mortgage revenue bonds (MRBs), allows the Agency to facilitate the achievement of District government housing goals by providing below market interest rate loans to individual home purchasers and developers of affordable rental housing.

Since its inception, the Agency has provided $190,534,000 in permanent first trust mortgage financing for 2,900 homebuyers in the District of Columbia (the "District"). Approximately 50% of these purchasers obtained second trust financing from the District's Home Purchase Assistance Program (HPAP). Both residents and non-residents of the District to purchase houses within the District. However, purchasers must reside in the property as their permanent residence within sixty (60) days after settlement. Furthermore, first-time and existing homeowners may apply, but an existing homeowner must buy in a target area. Target areas are community areas designated by the Internal Revenue Service as economically distressed areas. The requirement that existing homeowners purchase property in these areas facilitates economic revitalization of such community areas.

The Agency's single family mortgage loans are also made available to homebuyers through participating financial institutions serving the Washington Metropolitan area. Participation in the Agency's Single Family Mortgage Program by other lending institutions insures greater distribution of the Agency's low interest mortgage funds to qualified low-to-moderate income individuals and families.

In addition, the Agency has directed $244 million in bond financing to developers of twenty five (25) multi-family rental housing projects. The twenty five (25) Agency-financed projects made available 4,136 affordable units to District residents. The geographic distribution of Agency-financed multi-family rental housing projects is as follows:

- WARD 1 - Five (5)
- WARD 2 - Five (5)
- WARD 3 - Two (2)
- WARD 4 - None (0)
- WARD 5 - Two (2)
- WARD 6 - One (1)
- WARD 7 - Three (3)
- WARD 8 - Seven (7)

Agency Budget Summary

Appropriated Budget Request

The Agency's FY 1994 appropriated budget request from the District of Columbia Government is zero (0).

Non-Appropriated Budget Request

The FY 1994 projected revenues are $2,103,153 and thirty one (31) full-time equivalent (FTE) positions, a reduction of $740,000 and twelve (12) FTEs from the FY 1993 budget. The projected revenues include $250,000 in federal funds and $1,853,153 in private and other funds.

Expenditures are projected to be $2,087,861.

FY 1993 and 1994 budget reductions were accomplished as follows:

- Cuts in personnel costs through implementation of the Reduction in Force Policy (RIF) through attrition and other budget reduction activities resulted in a reduction of $522,000 from the FY 1993 budget.

- Closing of the Rhode Island Avenue Branch Office resulted in a savings of $100,000.

- Cuts in support services such as supplies, equipment, marketing, travel, communications and other services/charges will net the Agency $295,000.

Budget Strategies

The Agency expects to generate revenues as follows:

(1) administrative fees from management of the collateralized single family program;

(2) administrative fees for issuance of the multi-family rental bonds;

(3) administration of the Section 8 housing assistance projects;

(4) earnings from the refunding of Financing Adjustment Factor (FAF) and non FAF projects;

(5) subleasing 3,817 square feet of Agency space;

(6) interest earnings from discretionary investments;

(7) interest earnings on single family mortgage loans; fees from originating mortgage loans and appraising single family mortgage loan property;

(8) fees for implementing the infrastructure program, and

(9) fees for servicing certain mortgage loans.

The Agency will continue to collect principal and interest made on two outstanding discretionary rental rehabilitation loans.

The above referenced budget strategies are subject to change depending upon shifts in Agency resources. These revenue generating strategies reflect the Agency's goal of achieving its FY 1994 budget objectives.

Board of Appeals and Review

Agency Overview

Mission

The mission of the Board of Appeals and Review (BAR) is to provide citizens of the District a recourse from agency decisions from the Metropolitan Police Department, the Department of Consumer and Regulatory Affairs, the Department of Public Works and the Department of Human Services.

Agency Description

The Board reviews agency decisions in cases where an error is alleged and makes final determinations either sustaining, reversing, or modifying the appeal from which the action is taken. The BAR is responsible for the timely processing of cases on appeal including; the maintenance and distribution of filings, preparation of reports, and correlation with various government agencies, attorneys, pro se litigants, etc. All decisions rendered by the Board are based upon testimony and documentary evidence introduced during hearings. The fifteen member board is appointed by the Mayor, all of whom are residents of the District of Columbia. All board members serve on an as needed basis during the year and receive fees.

Agency Budget Summary

FY 1994: The appropriated request for FY 1994 is $149,000 and 2 FTE positions, a decrease of $19,000 from the revised FY 1993 budget of $168,000 and an increase of $14,000 from the approved FY 1993 budget of $135,000.

FY 1993 Revised: The FY 1993 revised budget request is $168,000 and 2 FTE positions which reflects a net increase of $33,000 over the approved FY 1993 budget of $135,000.

The major changes are as follows:

- In FY 1994 an increase of $14,000 is provided to properly align the budget with expenditures.
- In the FY 1993 revised budget an increase of $35,000 is provided to properly align the budget with expenditures, and a reduction of $2,000 is for furlough savings.

Budget Strategy & Impacts

Strategy: The workload and service delivery demands of the Board will increase beyond the levels attained in FY 1992. In FY 1993 the board will amend its rules and procedures to require filing fees for appeals. The implementation of the rules will generate revenue for the board and will not require constant increases from appropriated funds. The agency will focus on eliminating the backlogs in appeals awaiting final decisions and orders. The average number of appeals filed monthly is 22 and steadily increasing. BAR will forestall any future deficits with the implementation of a set number of hearing panels and appeals.

Impacts: The elimination of backlogs in scheduling pending appeals and backlogs in issuance of final decisions and orders.

Board of Appeals and Review

Table I **Agency Staffing and Funding Detail**

Programs	Staffing (FTE Positions)				Funding			
	FY92 Actual	FY93 Budget	FY93 Revised	FY94 Proposed	FY92 Actual	FY93 Budget	FY93 Revised	FY94 Proposed
Board of Appeals & Review	1.1	2.0	2.0	2.0	150,435	135,000	168,000	149,000
Total Agency	1.1	2.0	2.0	2.0	150,435	135,000	168,000	149,000
Appropriated Funds	1.1	2.0	2.0	2.0	150,435	135,000	168,000	149,000
Federal Funds	0.0	0.0	0.0	0.0	0	0	0	0
Intra-District Funds	0.0	0.0	0.0	0.0	0	0	0	0
Other Funds	0.0	0.0	0.0	0.0	0	0	0	0

Table II **Agency Outputs**

Measures	FY 1991	FY 1992	FY 1993	FY 1994
Number of appeals filed during fiscal year	311	423	444	468
Number of appeal decisions issued during fiscal year	252	265	292	319
Number of appeal cases awaiting decisions at end of fiscal year	0	64	106	0
Number of appeal cases on hand at end of fiscal year	325	483	435	584

Table III **Agency Appropriated Summary by Expenditure Type**

Expenditure Type	Staffing (FTE)				Funding			
	FY 92 Actual	FY 93 Budget	FY 93 Revised	FY 94 Proposed	FY 92 Actual	FY 93 Budget	FY 93 Revised	FY 94 Proposed
Personal Services								
Regular Pay	1.1	2.0	2.0	2.0	49,494	58,000	60,000	60,000
Other Pay	0.0	0.0	0.0	0.0	0	0	0	0
Additional Gross Pay	0.0	0.0	0.0	0.0	319	0	0	0
Fringe Benefits	0.0	0.0	0.0	0.0	5,783	6,000	8,000	8,000
Total Personal Services	1.1	2.0	2.0	2.0	55,596	64,000	68,000	68,000
NonPersonal Services								
Supplies					13,926	10,000	15,000	15,000
Energy					0	0	0	0
Communications					12,248	4,000	13,000	12,000
Building Rent					0	0	0	0
Other Services & Charges					68,665	57,000	72,000	54,000
Subsidies & Transfers					0	0	0	0
Equipment					0	0	0	0
Total NonPersonal Services					94,839	71,000	100,000	81,000
TOTAL AGENCY	1.1	2.0	2.0	2.0	150,435	135,000	168,000	149,000

OPENING STATEMENT
LUIS F. SALGADO, CHAIRPERSON
BOARD OF APPEALS AND REVIEW
BEFORE THE
U.S. HOUSE OF REPRESENTATIVES
DISTRICT OF COLUMBIA SUBCOMMITTEE
HONORABLE JULIAN DIXON, CHAIRPERSON
FY 1993 REVISED AND FY 1994 BUDGET

GOOD AFTERNOON, CHAIRMAN DIXON AND MEMBERS OF THE DISTRICT OF COLUMBIA SUBCOMMITTEE. MY NAME IS LUIS F. SALGADO, CHAIRPERSON OF THE BOARD OF APPEALS AND REVIEW. I AM PLEASED TO APPEAR BEFORE YOU TODAY IN SUPPORT OF THE FISCAL YEAR 1993 REVISED AND FISCAL YEAR 1994 BUDGET REQUESTS FOR THE BOARD OF APPEALS AND REVIEW. I AM JOINTED TODAY BY MRS. FRANCINE HOWARD JAMES, ADMINISTRATIVE OFFICER FOR THE BOARD OF APPEALS AND REVIEW.

THE BOARD OF APPEALS AND REVIEW (BAR), IS AN ADMINISTRATIVE AGENCY COMMISSIONED TO REVIEW AGENCY DECISIONS ON CITATIONS AND NOTICES OF VIOLATIONS FILED BY CITIZENS ACCORDING TO THE ADMINISTRATIVE PROCEDURES ACT, D.C. CODE (1981 ED.) §1501-1542, THE CIVIL INFRACTIONS ACT OF 1985, D.C. CODE (1981 ED.), TITLE 6, §6-2722, THE LITTER CONTROL ADMINISTRATION ACT OF 1985, D.C. CODE (1981 ED.), TITLE 6, §6-2909, THE DEPARTMENT OF CONSUMER AND REGULATORY AFFAIRS, HOUSING REGULATIONS, 5G DCRR §2801, 2803, C.O. 55-1503 (AUGUST 11, 1955), THE DEPARTMENT OF HUMAN SERVICES, D.C. CODE (1981 ED.), TITLE 32, §32-309, D.C. LAW 3-99, §10, 27 DCR 3599, SEPT. 16, 1980, AND OTHER MATTERS THAT MAY BE DESIGNATED BY THE MAYOR OF THE DISTRICT OF COLUMBIA.

THE APPROPRIATED REQUEST FOR FY 1994 IS $149,000 AND 2 FTE POSITIONS, A DECREASE OF $19,000 FROM THE REVISED FY 1993 BUDGET OF $168,000 AND AN INCREASE OF $14,000 FROM THE FY 1993 APPROVED BUDGET OF $135,000. IN FY 1994 AN INCREASE OF $14,000 IS PROVIDED TO PROPERLY ALIGN THE BUDGET WITH EXPENDITURES. THE FY 1993 REVISED BUDGET REQUEST IS $168,000 AND 2 FTE POSITIONS WHICH REFLECTS A NET INCREASE OF $33,000 OVER THE APPROVED FY 1993 BUDGET OF $135,000. IN THE FY 1993 REVISED BUDGET AN INCREASE OF $35,000 IS PROVIDED TO PROPERLY ALIGN THE BUDGET WITH EXPENDITURES, AND A REDUCTION OF $2,000 IS FOR FURLOUGH SAVINGS.

Board of Equalization and Review

Agency Overview

Mission

The mission of the Board of Equalization and Review (BER) is to ensure that real property, which comes before the Board for review, is assessed at 100 percent of its market value and in equalization with similar properties.

Agency Description

The Board of Equalization and Review examines real property assessment appeals from property owners or their representatives. The Board is required by law to review all appeals, render decisions, and submit the revised assessment roll to the Mayor no later than June 1 of each year. Hearings are scheduled before two- or three-member panels. Decisions are rendered based on written evidence submitted by the petitioner and data from the Assessor's office. The 18-member Board is appointed by the Mayor with the consent of the City Council. All board members serve on an as-needed basis during the year and receive compensation.

In addition, increased public awareness of the Board is accomplished through its community outreach efforts. The major programs of the agency are:

- Hearings - residential and commercial real property assessment appeal hearings.
- Inspections - includes residential and commercial properties.
- Legislative Issues - establish and respond to legislative issues.
- Community Outreach - includes speaking at civic associations, ANC meetings, broadcast interviews and speaking at other public relations presentations.
- Administrative Direction and Support - includes all agency management, administration and support activities, board meetings, and meetings with other departments as they relate to the assessment appeal process.
- Meetings - includes board meetings to address current issues and to discuss ways to enhance current operations and Board procedures. Also includes meetings with other departments relating to the assessment appeal process.

Agency Budget Summary

FY 1994: The FY 1994 appropriated budget request is $325,000 and five FTE positions. This represents an increase of $43,000 above the revised FY 1993 budget and an increase of $1,000 above the appropriated FY 1993 budget.

FY 1993 Revised: The revised FY 1993 budget is $282,000 and four FTE positions. This is a decrease of $42,000 and one position from the approved FY 1993 appropriated budget of $324,000 and five FTE positions.

Board of Equalization and Review

- In FY 1994, a $42,000 reduction to the revised FY 1993 budget is restored and health benefits are increased $1,000.

- In the revised FY 1993 budget, a reduction of $3,000 is provided due to employee furloughs, a within-grade reduction of $1,000, and employee benefits will be reduced by $10,000 for personal services adjustments.

- Also in the revised FY 1993 budget, personal services adjustments in other regular pay will result in a $16,000 reduction and one position, a $5,000 reduction in equipment, and a reduction of $7,000 in other services and charges.

Budget Strategy & Impacts

Strategy: The restoration of funds in FY 1994 will allow the Board to restore funding to personal and non-personal services. As a result of new legislation, there will be an increase in the size of the Board from 15 to 18 members, expanded services, and a more effective and efficient real property assessment appeal process.

The Board of Equalization and Review's caseload of appeals has continued to increase, and the Board anticipates future increases. To offset the reduction of $42,000 in the revised FY 1993 budget, the Board must postpone the hiring of one term employee and reduce funding for other services and charges while continuing to effectively accomplish the agency's mission. The agency will focus on cost-effective strategies to minimize the overall expenditures of the agency.

Impacts: The overall effect of the revised FY 1993 budget will place a greater responsibility on staff employees and Board members to process real property assessment appeals in accordance with the D.C. Code 47-825.

Table I **Agency Staffing and Funding Detail**

Programs	Staffing (FTE Positions)				Funding			
	FY92 Actual	FY93 Budget	FY93 Revised	FY94 Proposed	FY92 Actual	FY93 Budget	FY93 Revised	FY94 Proposed
Board of Equalization & Review	1.0	5.0	4.0	5.0	219,680	324,000	282,000	325,000
Total Agency	1.0	5.0	4.0	5.0	219,680	324,000	282,000	325,000
Appropriated Funds	1.0	5.0	4.0	5.0	219,680	324,000	282,000	325,000
Federal Funds	0.0	0.0	0.0	0.0	0	0	0	0
Intra-District Funds	0.0	0.0	0.0	0.0	0	0	0	0
Other Funds	0.0	0.0	0.0	0.0	0	0	0	0

Board of Equalization and Review

Table II — Agency Outputs

Measures	FY 1991	FY 1992	FY 1993	FY 1994
Number of Appeals Received	3,385	5,060	5,500	5,500
Number of Appeals Completed	100%	100%	100%	100%
Percentage of appeals by category - Class I (owner occupied)	32%	32%	32%	32%
Percentage of Appeals by Category - Class 2,3,4,5,6 (Income producing residential investments and commerical	67%	67%	67%	67%
Percentage of Appeals by Category - Vacant Land	1%	1%	1%	1%
Full Board Meetings	4	4	6	10
Committee Meetings	4	2	4	4
Community Outreach	4	6	24	10

Table III — Agency Appropriated Summary by Expenditure Type

Expenditure Type	Staffing (FTE)				Funding			
	FY 92 Actual	FY 93 Budget	FY 93 Revised	FY 94 Proposed	FY 92 Actual	FY 93 Budget	FY 93 Revised	FY 94 Proposed
Personal Services								
Regular Pay	1.0	3.0	2.0	3.0	33,056	79,000	75,000	79,000
Other Pay	0.0	2.0	2.0	2.0	0	39,000	23,000	39,000
Additional Gross Pay	0.0	0.0	0.0	0.0	0	0	0	0
Fringe Benefits	0.0	0.0	0.0	0.0	7,850	28,000	18,000	29,000
Total Personal Services	1.0	5.0	4.0	5.0	40,906	146,000	116,000	147,000
NonPersonal Services								
Supplies					11,832	3,000	3,000	3,000
Energy					0	0	0	0
Communications					3,568	3,000	3,000	3,000
Building Rent					0	0	0	0
Other Services & Charges					135,608	137,000	130,000	137,000
Subsidies & Transfers					0	0	0	0
Equipment					27,765	35,000	30,000	35,000
Total NonPersonal Services					178,773	178,000	166,000	178,000
TOTAL AGENCY	1.0	5.0	4.0	5.0	219,679	324,000	282,000	325,000

District of Columbia Public Service Commission

Agency Overview

Mission

The mission of the Public Service Commission is to ensure safe, reliable, and quality utility service at just and reasonable rates for District of Columbia ratepayers. The agency's responsibilities include the regulatory, enforcement and prosecutorial requirements needed to effect the annual licensing of securities broker-dealers and agents operating within the District of Columbia.

Agency Description

The Commission has ratemaking and other regulatory authority over the electric, gas and telephone companies within the jurisdiction of the District. Headed by three full-time commissioners, the Commission sits as a body in hearings when making determinations upon the applications for rate and service changes proposed by the utility companies. In carrying out the mandate of regulating the securities broker-dealers and agents within the District of Columbia, securities staff members work very closely with other District, federal, regional and national securities regulatory bodies.

The work of the department is carried out through the following major programs:

- Utilities Regulation - To fulfill the Commission's mandate of ensuring quality utility service at reasonable rates, the Utilities Regulation Division assists the Commissioners in determining the impact of legal, financial, economic, econometric and engineering matters by providing detailed analyses of the designated issues contained in a utility proceeding. Staff provides expert testimony in this regard, and also monitors the utilities' compliance with three Commission-approved lifeline programs designed for needy and low-income gas, electric and telephone ratepayers.

- Securities Licensing and Enforcement - Includes the annual licensing of broker-dealers and agents, regulation, enforcement, rulemaking, the review of annually audited financial statements, broker-dealer investigations, opinion letters and conference agreements. Enforcement mechanisms include administrative proceedings, injunctive action, criminal prosecution, penalties and fines.

Agency Budget Summary

FY 1994: The *total* budget from all funding sources for FY 1994 is $5,850,000 and 90 FTE positions, a net increase of $15,000 and 2 FTE positions over the approved FY 1993 funding level. The FY 1994 *appropriated* funding level is $5,686,000 and 88 FTE positions, a net increase $13,000 and 2 FTE positions over the approved FY 1993 funding level. The *nonappropriated* budget for FY 1994 is $164,000 and 2 FTE positions, an increase of $2,000 over FY 1993 with no change in positions.

FY 1993 Revised: The revised *appropriated* request is $5,480,000 and 86 FTE positions, a net reduction of $193,000 from the approved FY 1993 request. There is no change to the FY 1993 *nonappropriated* budget of $162,000 and 2 FTE positions. The changes are described in detail in the program sections of the budget.

District of Columbia Public Service Commission

Major changes include the following:

- In the appropriated FY 1994 proposed budget a net increase of $15,000 is over the approved FY 1993 budget. This includes $30,000 for health benefit costs and a reduction of $17,000 for overall cost control savings effected in the FY 1993 revision.

- In the FY 1993 revised budget $154,000 represents the furlough reduction, a reduction of $35,000 is for within-grade savings, an increase of $13,000 is provided for health benefits, and $17,000 is reduced for cost control savings.

Budget Strategy & Impacts

Strategy: In FY 1994, the workload and service demands of the regulatory requirements of utilities regulation and securities licensing will continue at current levels. FY 1994 also represents the first full year of implementation of the Investment Advisers Act of 1992. The Act regulates the licensing of investment advisers and representatives operating within the District of Columbia.

To meet the $193,000 net budget reduction in FY 1993 while achieving the department's basic mission, the agency will continue to focus the majority of its resources on the revenue-generating program of utilities regulation. The Utilities Regulation Division is funded dollar-for-dollar by the regulated utility companies.

Impacts: In FY 1994, with the passage of the Investment Advisers Act of 1992, the agency's regulatory responsibilities will also extend to investment advisers and agents. No adverse impact to the workload and service demands of the agency are anticipated in FY 1993.

Table I **Agency Staffing and Funding Detail**

Programs	Staffing (FTE's Positions)				Funding			
	FY92 Actual	FY93 Budget	FY93 Revised	FY94 Proposed	FY92 Actual	FY93 Budget	FY93 Revised	FY94 Proposed
Utilities Regulation	72.1	81.0	81.0	81.0	4,765,593	5,459,000	5,279,000	5,379,000
Securities Office	5.8	7.0	7.0	9.0	289,600	376,000	363,000	471,000
Total Agency	77.9	88.0	88.0	90.0	5,055,193	5,835,000	5,642,000	5,850,000
Appropriated Funds	76.6	86.0	86.0	88.0	4,973,971	5,673,000	5,480,000	5,686,000
Federal Funds	1.3	2.0	2.0	2.0	42,850	85,000	85,000	87,000
Intra-District Funds	0.0	0.0	0.0	0.0	0	0	0	0
Other Funds	0.0	0.0	0.0	0.0	37,571	77,000	77,000	77,000

District of Columbia Public Service Commission

Table II — Agency Outputs

Measures	FY 1991	FY 1992	FY 1993	FY 1994
Orders Issued	246	270	280	280
Decisional Memoranda	934	1,100	1,122	1,144
Community Outreach Seminars	20	45	60	60
Consumer Complaints Filed	1,418	1,045	1,200	1,200
Dollar Savings to Ratepayers	37,772	16,162	26,000	26,000
Payphone Complaints/Hotline Calls	0	206	210	210
Payphone Investigations/Inspections	0	827	850	850
Licensed Securities Agents	26,314	29,514	30,000	31,000
Revenue From Fees and Fines	1,092,000	1,236,380	1,300,000	1,250,000
Licensed Investment Advisors/Agents	0	0	1,200	2,325

Table V — Agency Appropriated Summary by Expenditure Type

Expenditure Type	Staffing (FTE's)				Funding			
	FY 92 Actual	FY 93 Budget	FY 93 Revised	FY 94 Proposed	FY 92 Actual	FY 93 Budget	FY 93 Revised	FY 94 Proposed
Personal Services								
Regular Pay	71.1	86.0	86.0	88.0	3,051,345	3,735,000	3,715,000	3,838,000
Other Pay	5.6	0.0	0.0	0.0	242,743	0	0	0
Additional Gross Pay	0.0	0.0	0.0	0.0	37,521	186,000	0	0
Fringe Benefits	0.0	0.0	0.0	0.0	496,577	542,000	555,000	572,000
Total Personal Services	76.7	86.0	86.0	88.0	3,828,186	4,463,000	4,270,000	4,410,000
NonPersonal Services								
Supplies					74,536	55,000	55,000	57,000
Energy					0	0	0	0
Communications					57,645	66,000	66,000	69,000
Building Rent					617,071	630,000	630,000	630,000
Other Services & Charges					226,162	269,000	269,000	324,000
Subsidies & Transfers					0	0	0	0
Equipment					170,370	190,000	190,000	196,000
Total NonPersonal Services					1,145,784	1,210,000	1,210,000	1,276,000
TOTAL AGENCY	76.7	86.0	86.0	88.0	4,973,970	5,673,000	5,480,000	5,686,000

OPENING STATEMENT
OF
HOWARD C. DAVENPORT, CHAIRMAN
PUBLIC SERVICE COMMISSION OF THE DISTRICT OF COLUMBIA
BEFORE THE SUBCOMMITTEE ON
DISTRICT OF COLUMBIA APPROPRIATIONS
JUNE -- , 1993

Mr. Chairman and members of the Subcommittee on District of Columbia Appropriations, on behalf of the District of Columbia Public Service Commission, I am pleased to submit this opening statement in support of our FY 1993 revised and FY 1994 budgets.

I would also like to take this opportunity to acknowledge for the official record the outstanding contributions of my colleagues, Commissioner Edward M. Meyers and Commissioner Agnes M. Alexander, as well key members of the Commission staff, including our General Counsel, Daryl L. Avery; our Executive Director, Dr. Phylicia Fauntleroy; Richard Huriaux, Deputy Executive Director for Regulatory Matters; Jesse Clay, Deputy Executive Director for Administration; Daphne D. McKoy, Comptroller; Norman Reiser, Director of Accounting and Finance; Dr. Robert Loube, Acting Director of Economics; and James Whitescarver, Director of Securities.

The Commission's FY 1993 revised and FY 1994 budget requests represent the funding level required to continue our mandate of ensuring safe and reliable utility service at reasonable rates for District of Columbia ratepayers, in addition to strengthening our securities licensing and enforcement efforts. Moreover, the $5,480,000 requested for the FY 1993 revised budget and the $5,686,000 requested for FY 1994 continue to exemplify our commitment to strict financial controls as we fully support the goals of "one city, one government."

The Commission continues to be confronted with extremely challenging issues which will require the Commission to marshall its full resources to accomplish its mandate. For example, the Commission has initiated a proceeding to examine the current and proposed construction program of The Chesapeake and Potomac Telephone Company (C&P). The Commission wants to ensure that C&P's $372 million construction program is reasonable and prudent and that residential ratepayers are not paying for the construction of facilities which will not be used to provide residential telephone service.

The Commission has also modified Economy II telephone service so that more residents would be eligible. Economy II service was established in 1985 as a lifeline telephone rate targeted at low income ratepayers. At that time, the Commission determined that only low income persons who were 65 years of age or older were eligible for the Economy II rate. The Commission also determined that the Economy II rate should have a limit of 60 calls per month. Calls in excess of 60 calls per month would be billed on a per call

basis. However, in 1992, with evidence of a declining telephone penetration rate, the Commission eliminated the age restriction, reduced the rate from $3.83 per month to $1.00 per month and allowed an unlimited number of calls. Persons eligible for the Economy II rate receive a 50% discount on C&P's installation charge which is currently $30.76.

Also in 1992, the Commission established a new telecommunications service called TRS, which is an acronym for Telecommunications Relay Services. TRS allows persons with hearing and/or speech impairments to communicate by telephone with persons who do not have such impairments. This service is mandated by the Federal Americans with Disabilities Act (ADA) and rules promulgated by the Federal Communications Commission (FCC) pursuant to the ADA. The implementation deadline was mid-1993. However, the District of Columbia Public Service Commission has successfully implemented this "universal service" a year earlier than required by federal law. Under the ADA, C&P is required to provide TRS itself or through a third party. C&P chose to use a third party and TRS is provided by AT&T with an office located in the District.

On January 15, 1993, the Commission adopted an alternative regulatory regime for C&P. This plan includes a three year freeze on all basic service rates for residential customers, including dial tone, touch tone, message units and service connections. C&P's original proposal would have frozen only dial tone rates.

In that same case, the Commission also adopted a banded rate of return with a 12.5% midpoint. If C&P's return on equity falls within a range of 12.5% to 13.5%, C&P retains all of these earnings. However, if C&P's earnings exceed 13.5%, C&P must refund one-half of the earnings which exceed 13.5% to its ratepayers. In addition, if C&P's return on equity falls between 12.5% and 11.5%, C&P's stockholders must absorb this loss. However, if C&P's earnings fall below 11.5%, C&P may seek a rate increase.

In allowing C&P to seek a rate increase, the Commission rejected C&P's proposed streamlined procedures which would have eliminated the formal hearing process for three years. Instead of convening a formal hearing and cross-examining witnesses, C&P proposed that interested persons file comments on its request for a rate increase and that the Commission issue a decision based on those comments. The Commission rejected this C&P proposal because the Commission determined that C&P should not be allowed to recover underearnings from ratepayers without a full hearing. To do so would strip ratepayers of an important due process right and would not be in the public interest.

The Commission also adopted four criteria for the purpose of determining whether certain services offered by C&P face sufficient competition to warrant that they be flexibly priced. The four criteria are: (1) the service can be duplicated by customer premises equipment or some other technological medium or transmission service; (2) the service is not essential; (3) the

own-price elasticity of demand is high; and (4) the Herfindahl-Hirschmann Index of the market in which the service is offered is below 1800. C&P does not have to satisfy all of the above criteria. The Commission found that satisfaction of the first or the third criteria, individually, may be sufficient.

Finally, the Commission rejected C&P's proposal for compensating ratepayers for the removal of directory advertising revenues and expenses from C&P's regulated earnings. The Commission found that removing directory advertising would create a revenue shortfall that would eventually necessitate a rate increase.

In regard to the Potomac Electric Power Company (PEPCO), the Commission issued a least-cost planning order that doubled PEPCO's levels of PEPCO's planned energy conservation from the previous plan which had been adopted in 1991. Least-cost planning requires PEPCO to compare the cost of building electric power plants against the cost of saving energy through conservation and demand-side programs. PEPCO projects that 4.4 million megawatt-hours of electricity will be saved through the year 2006, compared to 2.2 million megawatt-hours saved under the previous plan. The new level amounts to a 12% savings in energy consumption resulting from PEPCO's conservation programs.

At the same time, PEPCO expects to save 1.6 million kilowatts of peak demand requirements as a result of Commission-ordered conservation and energy use management programs. These savings are enough to eliminate the need to construct four combined cycle power plants. As a result of the ordered levels of conservation, ratepayers in PEPCO's system will save over $2 billion, over and above the cost of conservation. The District of Columbia portion of the savings is a net gain to District of Columbia ratepayers of $860 million through the year 2006. By its decision, the Commission enabled PEPCO to assume a place in the top tier of electric power companies around the nation in committing to ambitious energy conservation programs.

The energy conservation programs ordered by the Commission include:

1. Providing residential and commercial customers with rebates to facilitate the implementation of energy conservation measures to lower their energy bills. For residential customers, PEPCO offers rebates for energy efficient fluorescent light bulbs, as well as high efficiency room and central air-conditioners. Another one of PEPCO's pilot programs provides residents with free water heater wrap, piping insulation and energy saving low-flow shower heads, among other things. In addition, PEPCO's will tune-up major electrical appliances so that maximum efficiency may be obtained.

For commercial customers, PEPCO provides rebates as an incentive for customers to construct or renovate office buildings with high efficiency measures. Also, PEPCO provides rebates to

customers when they make their lighting systems more energy efficient. Since lighting is a major source of energy use, the Commission encourages customers to replace as much inefficient lighting as possible.

2. The Commission is requiring PEPCO to make it easier for people to obtain rebates when purchasing energy conservation measures. The Commission directed PEPCO to work with local merchants on a plan to offer rebates at the time energy efficient devices are purchased at local stores.

3. The Commission also directed PEPCO to develop a five-year action plan for targeting energy conservation to the Federal and District of Columbia governments. This includes developing building code standards commensurate with the Federal Energy Policy Act of 1992.

4. The Commission also improved its demand-side incentive to PEPCO, an incentive which rewards PEPCO for producing better than expected energy savings and penalizes PEPCO for not performing up to standard. If PEPCO's energy conservation efforts are successful, it will result in a monetary benefit to both the District of Columbia ratepayers and PEPCO.

5. The Commission expects PEPCO to improve its Energy Awareness Campaign. The purpose of the Campaign is to educate District of Columbia ratepayers regarding the positive impact energy conservation can make on everyday living. While the Commission found PEPCO's efforts commendable, PEPCO was instructed to present advertising that informs ratepayers that energy conservation, in addition to lowering their electric bill, will help the environment and stop the construction of costly new power plants.

6. Many users of electricity live in apartments and public housing. These individuals, for financial reasons and the fact that they do not pay an electric bill because it is included in the rent, may not have the ability or the incentive to participate in energy conservation programs. Thus, the Commission directed PEPCO to consider low or no cost conservation programs for individuals in rental and public housing.

The Washington Gas Light Company, District of Columbia Division (WGL), recently filed for approval of its Least-Cost Plan. While the pendency of the proceeding prohibits any commentary on the specifics of WGL's plan, the Commission anticipates that it will be beneficial to ratepayers as well as to WGL.

In 1993 and 1994, the Commission 's calendar will be especially heavy with the litigation of three rate cases, one from each of the utilities. WGL has filed a rate case in which it requests authority to increase existing firm rates and charges for gas service by $24.5 million, representing an increase of approximately 13.2% in revenues. WGL also is requesting authority to earn a 10.60% rate of return, including a return on common

equity of 12.75%. Formal and community hearings are currently underway in this case. C&P filed a request to increase its rates for all but basic residential service by $39.1 million on March 26 1993. On June 11, 1993, by Order of the Commission, C&P filed alternative rate designs for 33%, 50% and up to 67% of its proposed revenue requirement increase. Finally, on June 4, 1993, the Potomac Electric Power Company (PEPCO) filed an application asking for a permanent increase in its base rates of $72.573 million or a 10.8% increase. In addition, the Company requested $29.183 million for the recovery of a surcharge of demand side management costs and the implementation of any federal energy tax changes. PEPCO is seeking an authorized rate of return of 9.84% on its rate base, inclusive of a 12.35% return on equity. The proposed increase for the low income discount program, called the Residential Aid Discount is limited to the proposed DSM and energy tax surcharges.

In fact, the Commission is proud of its mandate requiring all three utilities to offer discount rates to low income citizens and the Commission has led the way in extending these programs to more citizens. The $1.00 rate for C&P, called Economy II, is the lowest in the country. PEPCO's RAD program provides a 25% discount on usage under 400 kilowatt hours each month for a monthly savings of $5.00 and an annual savings of $60.00 The WGL program, called Residential Essential Service (RES) provides a 16% discount on up to 150 therms of usage for each of five winter months. That is a savings of $20.00 a month or $100.00 a year.

Because of expanded outreach efforts for these programs including semi-annual Utility Discount Sign-Up Days, there are currently more that 13,000 participants in the RAD, over 9,000 participants in Economy II and over 7,000 customers in RES.

The Commission has greatly expanded its consumer services and outreach activities over the last year. For example, one area of significant achievement is the Commission's resolution of consumer and pay telephone complaints. For consumer complaints, we are pleased to report that during FY 1992, only fifteen (15) formal utility consumer complaint hearings needed to be held as provided for in the Consumer Bill of Rights. Of the 1,045 consumer complaints filed in FY 1992, Commission staff resolved 98 percent of these complaints without formal hearing through the informal consumer complaint handling process. This effort produced savings to consumers of $16,162. Moreover, just in the first eight months of FY 1993, the Commission's informal resolution process has produced consumer savings of $13,435.25.

In terms of our progress in the area of monitoring alleged pay telephone abuse, the Commission's consumer services responsibilities have increased significantly as a result of Order No. 9865 which mandates investigations surrounding the alleged use of pay telephones to conduct illegal drug trafficking. This ambitious and unprecedented regulatory program is accomplished with the help of District of Columbia citizens, and has afforded the Commission the opportunity to lead the nation in trying to find

creative solutions to stamp out the scourge of drugs in our communities.

This proactive regulatory effort, which has a tremendous amount of support from Advisory Neighborhood Commissions (ANCs) and civic associations, resulted in the removal of 166 pay telephones (out of nearly 13,000) during FY 1992. The total of 166 is significant given that Commission staff conducted 246 investigations to aggressively respond to and resolve 206 formal payphone complaints and 581 complaint calls to (202) 737-4PSC, the Commission's Pay Telephone Complaint Hotline.

To fully investigate these complaints so that all concerns were resolved within the 30-day time frame mandated by Order No. 9865, Commission staff conducted multiple surveillance visits both day and night to ascertain the validity of suspected drug activity. To fully illustrate the scope of this District-wide problem, in FY 1992 the geographic distribution by quadrant of these complaints was as follows: NW = 60%, NE = 26%, SE = 13%, SW = 1%. When the ward distribution of pay telephone complaint locations is also considered, it is clear that this problem plagues the entire Washington, D.C. area. Of the FY 1992 complaints, 21% were in Ward 1, 18% were in Ward 2, 2% were in Ward 3, 10% were in Ward 4, 21% were in Ward 6, 6% were in Ward 7, and 5% were in Ward 8. No significant fluctuation is anticipated in FY 1993 and FY 1994, thus the Commission will be ever vigilant in our efforts to eradicate this menacing problem.

In FY 1993 and FY 1994, the Commission will also accomplish our stated goals of conducting numerous community outreach seminars designed to increase consumers' awareness of the cost saving and environmental advantages of conserving energy. The Commission routinely delivers its energy conservation message through advertisements on Channel 13, the public access cable channel, public service announcements, sidewalk displays and demonstrations of energy conservation products. The Commission has also prepared a slide show which is used in presentations before numerous ANC and civic association meetings.

Since the start of fiscal year 1993, the Commissioners and Staff have met with over 62 ANC, civic associations and PTA groups. Still more energy conservation programs are being planned in each ward. In addition, our careful monitoring of the utilities' compliance with three Commission-approved lifeline programs designed to help needy and low-income gas, electric and telephone ratepayers will continue to occur, as will our significant success at utility bill resolution.

In this period of economic and financial hardships, the Commission has continued to take steps to keep our costs down. For example, using in-house attorneys as opposed to legal consultants for the Commission's legal workload greatly reduces our costs. As a result of the Commission's policy to rely more heavily on in-house counsel, the Commission saved over $350,000 in legal expenses

related to utility regulation in FY 1992, and over $3 million in utility regulation expenses since FY 1986.

A total of 270 Commission orders and 1,100 decisional memoranda were prepared in FY 1992. These numbers are quite significant given the extremely complex issues which faced the Commission. In-house legal staff has also enabled the Commission to participate in 7 proceedings before the Federal Communications Commission (FCC), 10 proceedings before the Federal Energy Regulatory Commission (FERC), and two appeals before the federal courts.

The Commission is extremely proud of the efforts that it has made on the federal level to insure that the ratepayers of the District of Columbia are protected. In FY 1992, the Commission intervened in ten (10) dockets at FERC which will directly impact District ratepayers. The Commission's intervention at FERC involved take-or-pay, open access to gas pipelines, the Clean Air Act, and pipeline restructuring.

Similarly, the Commission has been engaged in several dockets at the FCC. These dockets include such issues as telecommunications relay services, personal communications services and alternative access providers. The Commission's goal in intervening in these dockets is to ensure that FCC decisions will not require an increase in local rates and that District of Columbia ratepayers will not suffer a decrease in the quality or quantity of services offered by C&P.

Yet another area of significant achievement is the annual collection of revenue from our securities licensing and enforcement efforts. In FY 1992, a total of $1,236,180 in securities licensing and renewal fees and $49,200 in fines and penalties was deposited into the District Treasury. For FY 1993, revenue of $1,200,000 in fees and $100,000 in fines is anticipated. For FY 1994, revenue of $1,200,000 in fees and $50,000 in fines will likely occur. The projected decrease in revenues of $50,000 in FY 1994 is predicated on our reading of the industry's intention to downsize its sales force rather than expand, reversing a 10-year trend.

In FY 1994, with the passage of the Investment Advisers Act (Act) of 1992, the Commission's regulatory responsibilities will also extend to investment advisers and agents. The Act regulates the licensing of investment advisers and representatives operating within the District of Columbia, and FY 1994 represents the first full year of implementation. With the Commission's efforts in regards to the Investment Advisers Act of 1992, the citizens of the District of Columbia will now be protected from unsavory dealings by unscrupulous investment advisers and their representatives.

For the FY 1993 revised budget, the Public Service Commission is requesting total appropriated budget authority of $5,480,000 and 86 full-time equivalent positions, a net decrease of $193,000 from the approved FY 1993 funding level. Reductions of $154,000 for

employee furloughs, $35,000 in savings from the freeze on within-grades and $17,000 for cost control measures are offset by an increase of $30,000 for health benefit costs.

For FY 1994, the Commission requests total appropriated budget authority of $5,686,000 and 88 full-time equivalent positions, a net increase of $13,000 and two positions to implement the Investment Advisers Act of 1992. Major highlights include the restoration of funds reduced in the FY 1993 revised budget for furlough and within-grade savings, a $17,000 reduction for cost control measures and $30,000 for escalating health care costs.

The requested FY 1993 revised and FY 1994 budget levels are the result of a careful analysis of historical expenditure trends to determine future cost reallocation goals and represents what will be required to continue to successfully carry out our precedent-setting utility regulatory and securities licensing efforts.

In summary, the proactive efforts of the District of Columbia Public Service Commission continue to set the course for some of the major ratemaking decisions today and for the future. We will endeavor to continue this commitment in FY 1993, FY 1994 and beyond.

This concludes my opening statement on behalf of the D.C. Public Service Commission.

QUESTIONS FOR THE RECORD

I have some questions that I will submit for you to answer for the record.

[The Committee's questions and the Commission's responses follow:]

PUBLIC SERVICE COMMISSION

QUESTION:
1. With the enactment of the recent cable television legislation, will your Commission have a role in the cable television industry in the District?

ANSWER:
1. The Commission does not envision a role in the cable television industry as a result of the recently enacted legislation. Currently, the Commission's powers are enumerated pursuant to Title 43, Section 1808 of the District of Columbia code pertaining to right of ways and conduit space.

Office of the People's Counsel

Agency Overview

Mission

The mission of the Office of the People's Counsel is to ensure that the consumers of natural gas, electric and telephone services in the District of Columbia, have adequate representation before decision-making bodies.

Agency Description

The Office of the People's Counsel (OPC) is an independent agency that advocates the provision of quality service and equitable treatment of rates that are just, reasonable, and nondiscriminatory to District utility ratepayers. The agency assists individual consumers in disputes with utility companies about billings or services; provides technical assistance and consumer education to the Consumer Utility Board and other community advocacy groups; and actively participates in proceedings on the installation and removal of coin operated telephones. The Office also represents the interests of District ratepayers before federal regulatory bodies and has the right to appeal Public Service Commission decisions directly to the District of Columbia Court of Appeals. OPC investigates the operation and valuation of utility companies independently of any pending proceeding. The Office is empowered to represent no-fault automobile insurance consumers if the Superintendent of Insurance holds a rate hearing.

Agency Budget Summary

FY 1994: The appropriated budget request for FY 1994 budget is $2,736,000 and 38 FTE positions, an increase of $243,000 and 2 FTE positions over the revised FY 1993 budget. The two new positions are one (1) DS-14 Public Utility Engineer at $52,246 and (1) DS-13 Staff Attorney at $44,211. Health benefits costs of $14,000 and fringe benefits costs of $15,000 have also been included. The FY 1994 budget is $180,000 more than the FY 1993 budget of $2,556,000.

FY 1993 Revised: The revised budget for FY 1993 is $2,493,000 and 36 FTE positions, a reduction of $63,000 from the FY 1993 appropriated budget which reflects a savings of $56,000 for furloughs and $13,000 for within-grades in FY 1993. An increase of $6,000 is provided for the health benefits cost in the revised FY 1993 budget.

Budget Strategy and Impacts

Strategy: Increased demands are being made upon the Office. In spite of the present financial climate, District utility companies continue to seek higher rates and or changes in regulatory treatment which, in turn, significantly increases the Office's workload. The Office anticipates on average a new electric rate case every twelve to eighteen months. It is anticipated that these cases will include least cost proposals that will generate and drive substantial components of future rate increases as well as a costly construction plan. Also, it is anticipated that OPC will be involved in cases pertaining to the effects of the Energy Policy Act of 1993 (EPACT) on electric and natural gas utilities. In addition, the Office will continue to aggressively pursue complaints of public pay telephones (COCOTS) in the District. The FY 1994 budget will be allocated to assure the basic statutory obligations of OPC continue to be met, and the Office continues to provide a competent, professional, and vigorous level of advocacy. OPC will continue its mandate to pursue strategies to

Office of the People's Counsel

challenge rate increases and applications, to promote utility efficiency by monitoring and evaluating utility operations, to address critical issues before federal agencies, to provide technical assistance to community groups, and to continue to respond effectively to consumer complaints.

A bill currently pending before the Council of the District of Columbia, if passed, would permit OPC and the Public Service Commission to recoup expenses incurred in proceedings involving new entrants in the utility field and is likely to increase the Office's workload. Independent power producers and co-generators have expressed increased interest in selling or providing electricity to PEPCO; these contracts will have to be evaluated by the PSC and the Office to determine their prudence. Furthermore, the Commission has initiated a separate proceeding to investigate C&P's construction program and budget to determine the reasonableness of C&P's construction plans.

Impacts:
In the FY 1994 proposed budget the approval of two FTE positions, one DS-14 Public Utility Engineer and one DS-13 Staff Attorney, will allow the Office's legal and technical staff to continue to be actively involved in cases before the Public Service Commission, as well as relevant Federal bodies. The use of a staff attorney rather than outside counsel represents a cost savings to the Office and to ratepayers. The Public Utility Engineer will assist the Office in evaluating telephone infrastructure changes and their impact, as well as in understanding the nature of C&P's tariff offerings that frequently require an engineering perspective.

Table I **Agency Staffing and Funding Detail**

Programs	Staffing (FTE Positions)				Funding			
	FY92 Actual	FY93 Budget	FY93 Revised	FY94 Proposed	FY92 Actual	FY93 Budget	FY93 Revised	FY94 Proposed
Office of the People's Counsel	30.0	36.0	36.0	38.0	2,176,162	2,556,000	2,493,000	2,736,000
Total Agency	30.0	36.0	36.0	38.0	2,176,162	2,556,000	2,493,000	2,736,000
Appropriated Funds	**30.0**	**36.0**	**36.0**	**38.0**	**2,176,162**	**2,556,000**	**2,493,000**	**2,736,000**
Federal Funds	0.0	0.0	0.0	0.0	0	0	0	0
Intra-District Funds	0.0	0.0	0.0	0.0	0	0	0	0
Other Funds	0.0	0.0	0.0	0.0	0	0	0	0

Office of the People's Counsel

Table II **Agency Outputs**

Measures	FY 1991	FY 1992	FY 1993	FY 1994
Litigation - Telephone, gas and electric tariffs	15	21	20	20
Rate base impact cases	6	6	6	7
Rate cases	37	41	41	45
Federal regulatory intervention	20	22	22	28
Requested rate increases (millions)	100	54	60	0
Rate increases granted (millions)	0	50	0	0
Pleadings filed	175	200	180	185
Data requests/responses filed	1,700	1,550	1,000	1,000
Appellate cases	0	2	1	0
Meetings with Community groups	120	135	216	237
Consumer conferences	4	5	12	15
Public Pay Telephones (COCOT) - Total Complaints	0	186	186	186
Publications: Newsletters/OPC Utility Notes	14,000	16,500	21,000	21,000
Number of issues	7	5	7	7
Other Brochures	5,000	7,500	11,200	11,500
Total contracts	46	53	0	0
Notices of Agency Fund Requirements	11	18	0	0
Total PEPCO assessment	857,211	1,839,004	0	0
Total C&P assessment	753,778	279,220	0	0
Total Washington Gas assessment	46,687	56,374	0	0
Total dollars assessed (All utilities)	1,657,676	2,174,598	0	0

Office of the People's Counsel

Table III **Agency Appropriated Summary by Expenditure Type**

Expenditure Type	Staffing (FTE)				Funding			
	FY 92 Actual	FY 93 Budget	FY 93 Revised	FY 94 Proposed	FY 92 Actual	FY 93 Budget	FY 93 Revised	FY 94 Proposed
Personal Services								
Regular Pay	22.6	36.0	36.0	38.0	1,029,280	1,402,000	1,333,000	1,553,000
Other Pay	7.4	0.0	0.0	0.0	173,367	0	0	0
Additional Gross Pay	0.0	0.0	0.0	0.0	3,549	0	0	0
Fringe Benefits	0.0	0.0	0.0	0.0	178,866	227,000	233,000	256,000
Total Personal Services	30.0	36.0	36.0	38.0	1,385,062	1,629,000	1,566,000	1,809,000
NonPersonal Services								
Supplies					24,914	28,000	28,000	28,000
Energy					0	0	0	0
Communications					24,367	30,000	30,000	30,000
Building Rent					378,131	408,000	408,000	408,000
Other Services & Charges					191,565	360,000	360,000	360,000
Subsidies & Transfers					0	0	0	0
Equipment					172,123	101,000	101,000	101,000
Total NonPersonal Services					791,100	927,000	927,000	927,000
TOTAL AGENCY	30.0	36.0	36.0	38.0	2,176,162	2,556,000	2,493,000	2,736,000

STATEMENT OF

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PEOPLE'S COUNSEL FOR THE DISTRICT OF COLUMBIA

BEFORE THE DISTRICT OF COLUMBIA SUBCOMMITTEE,

COMMITTEE ON APPROPRIATIONS

U.S. HOUSE OF REPRESENTATIVES

Mr. Chairman, members of the subcommittee, thank you for this opportunity to present the Fiscal Year 1994 budget submission of the Office of the People's Counsel (OPC or the Office), an independent agency of the District of Columbia government. By law, OPC is the advocate for consumers of natural gas, electric and telephone services in the District. Originally established by the U.S. Congress in 1926, the Office was eliminated by that body in a Federal Executive Branch reorganization in 1962. Community concern in 1975 about rapidly rising electric rates resulted in the reestablishment of the Office by Congress through Public Law 93-88.

The Office became an independent agency of the District of Columbia government on January 2, 1975 through enactment of Public Law 93-614, D.C. Code Ann. § 43-406 (1981), "An Act to Provide a People's Counsel for the Public Service Commission in the District of Columbia." The Office is headed by the People's Counsel, an attorney appointed to a three (3) year term by the Mayor with the advice and consent of the D.C. Council. District of Columbia law designates the Office as a party to all utility-related proceedings before the Public Service Commission (PSC or Commission), and federal regulatory agencies and commissions. The Office also

has the right to appeal PSC decisions directly to the D.C. Court of Appeals. Further, the Office is empowered to investigate the operation and valuation of utility companies independent of any proceeding. According to law, the Office is empowered to represent consumers in No-Fault Automobile Insurance matters. OPC's involvement is triggered **only when** the Superintendent of Insurance holds a rate hearing. The law does not require a hearing on insurance rate applications before the rates are put into effect (D.C. Law 4-155) "Compulsory/No-Fault Motor Vehicle Insurance Act of 1982" D.C. Code Ann. § 35-1703 (h) and (i) (1981). In May, 1993, the Superintendent of Insurance held the first formal hearings in an insurance rate case in nine (9) years **(AIPSO Rate Case No. 93-1)**. This case pertains to rates charged for Assigned Risk Class consumers. OPC participated in this proceeding. A decision in this case is pending.

OPC's responsibility is to advocate for quality utility services at just, reasonable and nondiscriminatory rates to District ratepayers; to assist individual consumers in disputes with utility companies regarding billing or services; to resolve consumer complaints over public pay telephones; and to provide technical assistance, consultative services and consumer education to ratepayers and consumers of the District of Columbia.

OPC's FY 1994 budget is conservative. It sets forth the agency's spending priorities as they have become evident in the past year. Before delineating the FY 1994 budget request, I would like to take a few minutes to sketch the backdrop for the Office's function in the coming year.

Budget Background

The Office recognizes that the Federal Government is in the midst of austere financial times and that the District Government, in particular, is grappling with many delicate budget issues. As a result, agency requests for budget increases must be and should be carefully scrutinized. The Office is sensitive to this dynamic. By law, the appropriated budget for the Office of the People's Counsel is fully reimbursed to the District Government by the public utilities conducting business in the District of Columbia. D.C. Code Ann. § 43-612 (b)(1) (1981) provides that "[a]ll amounts appropriated for the Office of the People's Counsel for each fiscal year shall be repaid during such fiscal year by the public utilities and common carriers as a reimbursement fee." In turn, utility companies are allowed to reflect this as a

cost of doing business in the District. These costs are reflected in the utility rates paid by D.C. ratepayers, our clients. Thus, OPC is very sensitive about its budget and the implications it holds for ratepayers.

In considering the agency's needs for FY 1994, the Office was forced to come to grips with the reality that increased demands are being made upon the Office in utility regulation. In spite of the present financial climate, each year District utility companies continue to seek higher rates which, in turn, significantly increase the Office's work load. Yet, in three recent cases, for every one dollar **($1)** spent by the Office defending ratepayers in a rate proceeding, the Office saved $57.20 **(Formal Case No. 850, C&P)**, $62.03 **(Formal Case No. 905, PEPCO)**, and $27.78 **(Formal Case No. 912, PEPCO)**. These cases represent nearly **$100 million** in total savings to District ratepayers.

The Office of the People's Counsel continues to explore and test the breadth of its statutory authority to represent the interests of D.C. ratepayers and consumers. OPC has reached a level of maturity beyond its years in serving District of Columbia ratepayers and advocating their interests. As the Office has grown, it has nurtured its relationship with its clients, District of Columbia utility consumers. Moreover, OPC has remained true to its mission and function to advocate on behalf of consumers in a full array of utility matters.

OPC Operations Division

The Operations Division is headed by an Associate People's Counsel and includes the administrative officer, computer specialist, administrative assistant, computer assistant, support services specialist and information receptionist. The Division is primarily responsible for ensuring the efficient daily operations of the Office. Its responsibilities include personnel, facilities management, development and implementation of administrative procedures, provision of supplies, and the identification, procurement, installation and maintenance of non-computer equipment. The computer specialist and assistant are primarily responsible for the identification, procurement, installation and maintenance of computer hardware and software, and training.

During the past year, the Operations Division successfully completed a system-wide computer transition from a WANG VS system to installation and implementation of a local area network (LAN) utilizing IBM computers. The LAN allows the Office to link its computers and peripherals to make more efficient use

of its resources. Staff was systematically trained and transited from WANG to IBM PCs. The Division also worked with staff to design, develop and implement a state-of-the-art filing system. The Division's computer staff created and customized a D-base program to enhance file maintenance and retrieval. The modernized system increased the available file space from 6,500 linear file inches to a maximum capacity of 12,000 linear file inches. The overall impact of these improvements is a significant increase in Office efficiency and productivity.

Community Outreach and Education

As part of its mandate, the Office staff has continued to recognize that consumer education, outreach, public dissemination of information, and technical and consultative assistance to consumers is an integral part of its advocacy role. Recognizing the value of a receptive and well-informed public constituency that includes persons of all ages, genders, races and economic levels, and understanding that the public is too often forgotten in the utility regulatory process, OPC staff has worked assiduously to educate consumers to advocate on their own behalf. All staff is charged to vigorously pursue every opportunity to make consumer education and outreach efforts more effective.

The Office's strong commitment to community education and outreach can be witnessed in our speakers bureau which provides a direct link to all segments of our diverse community. In this respect, OPC has sponsored issue-targeted educational seminars, the annual awards luncheon of the DC Federation of Civic Associations, in-house briefings for key community group leaders, energy conservation seminars in every ward of the city, and OPC staff appearances on District cable television, various radio talk shows, community newspapers, and submissions to organizational newsletters.

The Office conducts briefing sessions to update the staffs of the District Council and the Executive, the Advisory Neighborhood Commissions, the American Association of Retired Persons, and numerous civic and community associations.

OPC publishes a quarterly newsletter, **Utility Notes**, general information brochures, formal case fact sheets, and an annual report, and distributes a variety of informational brochures at numerous community gatherings.

The Consumer Complaints Community Education and Outreach (CCCEO) Division managed **272 formal consumer complaints** in FY 1992. Of these, 129 (47 percent) were against C&P, 78 (29 percent) were against PEPCO and 65 (24 percent) were against Washington Gas Company (WG). CCCEO has also participated in **135 community group meetings** in FY 1992, an increase of more than 10 percent over FY 1991. We project the FY 1993 figures will show an increase of nearly 55 percent to take us to over 200 community outreach meetings this year (1993). Much of this increase is attributable to the addition of two new staff positions in this division. Given the staff, we feel we can continue to make major strides in this area. The Division also organized and sponsored 5 major consumer conferences that reached over three hundred (300) District consumers in FY 1992.

Through CCCEO, OPC took a leadership role in filing a complaint and petition before the PSC to have new public pay telephone regulations established. Our CCCEO division has taken a lead role in the enforcement of those regulations as they relate to public pay telephones. For some time, residents of many of the city's neighborhoods have complained about the proliferation of payphones they believed often contributed to alleged illegal activities. In a little over one year, OPC has conducted over 210 investigations in conjunction with the Metropolitan Police Department, C&P Telephone Company and public pay telephone owners that have involved over 670 telephones in all eight (8) wards of the city. In all, **164** phones were converted to one-way service, a total of **172** phones were completely removed, **30** phones were temporarily terminated, **43** phones were temporarily terminated and later converted to one-way service, **24** phones were limited to reduced service times, **23** phones were relocated and in **9** cases, other resolutions were found. Overall response from the community has been outstanding and OPC will continue to process complaints as they are received.

The public pay telephone issue is perhaps the broadest example of public participation in the regulatory process. The level of activity in telephone complaints suggests that community education and outreach has proved effective. Although the Office expects continued activity in this area, we do not expect any significant increase in COCOTS complaints or cases litigated.

An important and continuing part of the Office's consumer education efforts is providing logistical support for the activities of the D.C. Consumer Utility Board, a volunteer citizens group comprised of church, civic, neighborhood and labor representatives. In 1992, OPC provided resources for public and executive board

meetings of the CUB, and gave technical assistance in the production of the CUB newsletter, **Consumer Utility News**, as well as to other efforts of consumer based utility advocates.

The Community and the Regulatory Process

Perhaps the strongest symbol of success resulting from OPC outreach efforts has been the recent filing of a "Community Brief" in **Formal Case No. 917**, PEPCO's 1992 Integrated Least Cost Plan (LCP). In this case an informed, active contingent of lay community advocates, kept abreast of current issues by the Office, was able to place on the record a brief delineating their grass roots concerns regarding energy conservation. In its final decision in **Formal Case No. 917**, the PSC was swayed by ANC and community comments, and greatly amended the PEPCO LCP to respond to the needs and concerns of all ratepayers. The Brief is but one example of community outreach that has yielded real, tangible benefits this year for District ratepayers. Intensified community involvement led to OPC's decision to seek appellate review of the role of the ANC in the utility regulatory scheme of **Formal Case No. 912**, PEPCO's most recent rate proceeding. By law, ANCs are to be given "great weight" when testifying before governmental agencies, and their concerns are to be specifically addressed in the final decisions of those agencies. Thus, through education and technical support, OPC has helped to empower and enable the ANCs to perform the vital role intended for them in the regulatory process. During FY 1992, ANCs were participants in public hearings, but it was not altogether clear that their testimony was being afforded "great weight" by the PSC. OPC's goal in the appeal of **Formal Case No. 912** is to clarify the law in this area. This is an issue of first impression emanating from the statutory power of Advisory Neighborhood Commissions (ANCs).

The Office has been involved in numerous telecommunications cases including C&P Telephone's **Formal Case No. 814**, a request for "modern regulation" which would have greatly limited public input into the regulatory process as well as allowed automatic rate increases to flow through to District ratepayers totalling $64 million dollars in the next three years. In this case, OPC argued that rates for basic telephone service were too high and should be lowered and that the Company's proposed accounting methods were inappropriately separating profits from the traditional rate of return equation which could cost ratepayers millions of dollars more. OPC responded swiftly with a multimedia campaign to inform the community, and the community responded by coming out to public hearings and

voicing their objections to any plan to eliminate regulatory oversight by OPC and the PSC. In the end a rate freeze was ordered protecting a broad group of ratepayers, and the provisions of the ill-devised, "modern regulation" ratemaking process were defeated, for now, keeping oversight and the public role in the utility regulatory process intact. The issue of relaxed or modern regulation is sure to return to the regulatory area at the local and federal levels.

Another clear sign that OPC has responded to community concerns and in turn increased lay advocate consumer participation in the regulatory process is the advent of Telecommunications Devices for the Deaf and the Telecommunications Relay Service in the District of Columbia. Despite the District's reputation as a major learning center for the hearing impaired, until this year the basic privilege of telephone service was denied to thousands in the deaf community. Understanding that the technology existed to open this communications opportunity to the entire community, OPC worked with advocates in **Formal Case No. 850** to bring on-line a system which now allows hearing, deaf, speech and hearing impaired callers to communicate by phone. This provides "ordinary service to extraordinary people."

OPC assisted members of the hearing impaired community who sought to become intervenors in the case by helping develop testimony and legal arguments that expressed the special concerns of the deaf community, while also providing legal representation throughout the process. As a direct result of the deaf community's participation, the service came on-line in November, 1992 and has been remarkably well received.

The Office has been an active party in **Formal Case No. 888** which involved plans by Georgetown University and Dominion Power Company to build a 56 megawatt cogeneration facility on the Georgetown campus. The Office played a pivotal role in urging the Commission first to assume jurisdiction over the plant and second to exercise its authority to independently review the environmental impact and risk assessment studies prepared by the cogenerator. In that case the Office proposed issues of first impression such as the impact of Electro Magnetic Fields (EMF) on the public and the environment. Subsequent to the completion of the case, the Office (at the urging of the District Council Public Services Committee) contacted 21 potential cogenerators and requested that they contact the PSC and OPC if and when they elect to pursue cogeneration. One entity contacted was the U.S. Capitol which indicated they were in the process of investigating the feasibility of pursuing certain cogeneration options. Environmental issues undoubtedly will continue to be

on the forefront of the PSC's regulatory agenda as alternative power producers seek to gain entry into local markets. OPC anticipates an even more active role in this process.

Investigations Initiated by OPC

Investigations initiated by OPC include a review of the Gross Receipts Tax on behalf of consumers who alleged that all District regulated utilities collected more from ratepayers than allowed by law **(Formal Case 911)**. This case, filed by lay community advocates, is currently on appeal with oral arguments scheduled for March 23, 1993. A petition to determine what is the appropriate notice of scheduled disruptions when a utility seeks to cutoff service to perform maintenance and an investigation into the cause and preventions of a January 6, 1992 downtown power outage are the subject of **Formal Case No. 910**. The possibility of a similar, future occurrence is being managed within a working group. **Formal Case No. 909** was initiated by an OPC petition to investigate whether PEPCO should have received permission from the Public Service Commission prior to constructing underground power lines connecting Bethesda, Maryland, with the Van Ness substation in Washington.

The FY 94 Budget Request

It is hoped this narrative will make clear the reasons for the Office's FY 1994 budget request. To carry out its mandate, OPC's **FY 1994 budget request is $2,736,000** in appropriated funds and **38 continuing full-time positions. This is an increase over the FY 1993 budget request of $180,000 and two continuing full-time positions.**

The Public Utilities Reimbursement Fee Act, D.C. Law 3-88, mandates that utility companies reimburse the District fully for operating costs associated with this Office's representation of consumers.

The requested increase will provide **$96,000 for two positions which include a DS-14 public utility engineer and a DS-13 attorney** and increases of $28,000 for

fringe benefit costs of the new positions. Also included are **$56,000 for pay adjustments** and annualization of FY 1993 positions.

There are currently nine attorneys, two economists, and one accountant in the Office's Litigation Division. In the area of utility regulation, much of the attorneys' case work is based on the analysis and recommendations of the technical staff. At present, most of the Office's technical expertise comes from retained independent technical consultants. The FY 1994 budget request seeks to further enhance OPC's internal technical staff.

The Office will continue to develop special litigation teams consisting of key technical staff for technical analysis. Such specialization will continue to increase the efficiency of the legal and technical staffs and further reduce the Office's reliance on outside contractors. The new position of public utility engineer is essential to the Office's growth and ability to carry out its mission. Reliance on in-house resources in lieu of outside consultants, when appropriate, represents monetary savings not only to the Office, but also to District ratepayers.

The objective of the Office is to develop a strong in-house technical section to achieve the following goals:

- Present testimony on issues affecting broader areas in rate cases and investigations.
- Analyze complex and technical regulatory issues.
- Prepare comprehensive, clear reports on technical issues for public dissemination.
- Provide in-house training to the Office.
- Provide in-house technical management of the technical analysis of issues arising in the cases.
- Take a prominent role in advocating on consumer issues at national and local conferences and meetings.

- Compile an in-house comprehensive data base on the utilities providing service in this jurisdiction.

- Provide in-house analysis of the environmental impact of all construction, energy production and services.

There has been an ongoing technological revolution in the telecommunications industry since AT&T was divested of the Bell Operating Companies in the early 1980s. A large part of this is attributable to technological developments directly related to infrastructure. These changes and their impact are most appropriately evaluated by an engineer familiar with telecommunications and other utilities.

For example, engineers have the technical expertise to evaluate and run the various models used to simulate energy consumption in residential and commercial structures. Analyses of these models and their results provide demand-side management ("DSM") managers the first, "best" estimates of energy savings before a DSM program is implemented. Similarly, engineers bring unique insights in analyzing various technical issues in the telecommunications field. Many of the tariffs filed by the telephone companies involve technical and technological changes that can best be evaluated by a specialized engineer.

The utility companies in the District file tariffs on an ongoing basis. Many of the new tariffs are filed because of technological advancements in the industry. For example, the utilities have recently filed tariffs on natural gas vehicles in the gas industry, electric powered vehicles in the electric industry, and Integrated Services Digital Network (ISDN) and Switched Multi-megabyte Digital Service (SMDS) tariffs in the telecommunications industry.

Almost every telecommunications case has an engineering component. In **Formal Case No. 850**, a case where the Office expended over $80,000 on a consulting engineer, issues such as the reasonableness of C&P's capital utilization criteria (CUCRIT) studies and the appropriate number and configuration of C&P's central office were raised. In **Formal Case No. 920**, C&P's construction docket, the central questions are engineering-related: what is the appropriate infrastructure deployment plan and how should the costs be allocated. An engineer can give an opinion on the merits of various technologies proposed, an evaluation of alternatives, and a recommendation on how the costs of deployment can be equitably allocated.

Emerging competition issues also require the expertise of an engineer. In the recently litigated matter, **Formal Case No. 814**, Phase III, C&P alleged that it faces competition from wireless communications technologies and satellite systems. An understanding of these technologies and their implications on C&P, as provided by an engineering expert, would greatly assist the Office in determining how to respond to C&P's claims.

Telephone tariffs also raise a panoply of engineering issues. To understand the nature of C&P's tariff offerings, an engineering perspective is often required. This is particularly true with advanced and enhanced data services proposed such as ISDN and SMDS, both of which were services considered by the Public Service Commission in the last year. Also, an engineering perspective is often crucial to examining the associated cost issues raised in telephone tariffs. An engineer could quickly determine whether a network cost is being properly allocated to a particular service. These cost issues are raised in every tariff filed by C&P.

Significantly, the Office is faced with time constraints in telephone tariffs. Most telephone tariffs are advanced by the Commission in rulemaking proceedings. Comments on tariff filings are due 30 days after the tariff is noticed in the D.C. Register. Additionally, the Office must prepare data responses and attend data conferences well in advance of the comment due date. In most cases, the Office is unable to hire an outside consultant due to these time constraints. Also, by not having an engineer's expertise available when needed, the Office is in a disadvantageous position in working groups and meetings when other parties routinely include staff engineers among their representers.

Furthermore, technological issues are constantly considered outside of the context of formal cases. For example, the 1991 interruption of telephone service in the Bell Atlantic region was a result of a Signalling System 7 (SS7) failure. The Office did not have the in-house expertise to evaluate the claims proffered by C&P. Also, emerging issues associated with video dial tone will require technical expertise to fully understand the implication for consumers.

The utilities and the Staff of the Commission have recognized the unique insights engineers provide in analyzing various technical issues. Accordingly, they have fully staffed engineering departments and divisions. At present, the Office has relied on outside engineering consultants to assist in formulating the consumers' position on major technical issues before the Commission.

Since the number of attorneys has increased in the Litigation Division, the responsibility and work of the technical section has increased substantially. The public utility engineer is urgently needed in the technical section to support the efforts of the Litigation Division to represent District residents. The Office continues to enhance the technical section to achieve the Office's mission. The engineer's position is essential for that purpose.

In addition, the FY 1994 appropriated budget requests a DS-13 attorney to enhance and augment OPC's litigation activities, thereby further reducing reliance on contractual services. The significance and importance of staff attorneys to the Office is generally measured by the amount of money saved by not using outside contractors.

With major changes taking place in the national regulatory arena, in both the energy and telecommunication areas, there is an increasing burden on the resources of the Office. For example, several new telecommunications entrants have petitioned the Public Service Commission for Certificates of Public Necessity and Convenience (CPNC). These new entrants have been deemed "public utilities" by the PSC. The Office is involved in the review of their respective CPNC applications, as well as developing and evaluating proposals for regulating these new entities. The emergence of the new entrants and the potential impact on both the quality and cost of service for District ratepayers is of utmost significance. Likewise, on the federal level, the elimination of certain restrictions on the activities of the Bell Operating Companies will have an impact on local telephone service. The Office is involved on the federal level and will continue to be involved as the resulting issues emerge before the PSC.

The emergence of new entities in the energy field is also a factor. Recently, and consistent with national and local policy, there has been a proliferation of interest in non-utility generation (NUGs). Alternative power producers, such as cogenerators and IPP's, are being considered by the Commission. Again, this is an instance where the entities, independent of the existing utilities, are seeking to provide service to District ratepayers. The issue before the Office is whether these NUGs can provide energy and reliable service at a lower cost than the existing utilities. The Office is actively involved in all of these proceedings and anticipates that it will continue to be involved in their progeny. There is also increased activity at the federal and district court levels. The Office is an intervenor in several cases involving upstream pipeline suppliers of Washington Gas. Finally, important

national legislation such as the "Clean Air Act Amendments of 1992," as it affects local utilities is a matter that the Office and the PSC will be addressing.

To continue to meet its statutory obligations the Office needs one additional attorney in the Litigation Division. The attorney would be specifically charged with case responsibility as a result of the increased workload caused by new developments and the emergence of new entities in the utility arena.

In FY 1992 the Office was involved in 52 cases. Many of these cases (41) involved the setting or fixing of rates and devoured tremendous attorney hours, pressing our relatively small legal staff to its limits. In FY 1993 we expect that each of the utilities will return to the Commission seeking rate redress with incredibly short turnaround. The PSC has made it clear that it will act on each of these cases quickly, often deciding a case within **180** days. While it is proper to move the legal process swiftly for ratepayers and the utilities alike, the logistics of preparing legal arguments, conducting investigations, educating the public on findings, holding community hearings, and presenting our conclusions to the Commission in the **180** day time-frame could **upset/or negatively impact** some portion of the regulatory process with tragic results.

Emerging Litigation Issues

The FY 1994 budget includes funding for the cost of litigating cases for which assessments against a particular or specific utility are not possible under Section 43-612 of the D.C. Code.

A number of matters are expected to come before the Federal Energy Regulatory Commission such as Order No. 636, the federal deregulation of the distribution and transport of natural gas, which stands to have a significant impact on the rates charged to nearly 150,000 District of Columbia Natural Gas ratepayers. In each of these cases it is critical for the Office to take a proactive posture early in the planning stage. Without adequate legal representation provided by a separate source of funding, District ratepayers would not only lose out on gaining new services in a timely fashion, they may be forced to pay the high price of lost opportunity in the years to come.

The Office will also be involved in Washington Gas rate proceedings, **Formal Case No. 922**; WG's 1992 Least-Cost Plan, **Formal Case No. 921**; and the environmental cleanup of the WG-owned East Station facility.

PEPCO can be expected to seek recovery of cost for Station H in Dickerson, Maryland, as part of its 15 year operations plan, and Washington Gas will continue to seek recovery of cost for the environmental cleanup of E-Station which the Office contends must be a stand alone issue, not a component of a rate proceeding **(Formal Case No. 922)** as it presently is.

The Office is compelled to participate in the Federal Communications Commission proceedings involving Video Dialtone. Currently C&P is in a two year trial of a service that distributes diverse audio/visual services over standard telephone lines. If accepted, the service could easily increase demand for massive amounts of new infrastructure at a cost to local ratepayers. C&P Telephone can be expected to seek to recover some or all Postretirement Employee Benefits (OPEB) costs in rates after losing their bid for "modern regulation" in February, 1993. Washington Gas and PEPCO are also likely to try and offset OPEB costs through ratepayers. C&P will likely present details of an ambitious 15 year construction plan in **Formal Case No. 920**. OPC has asked the District of Columbia Government, a major local consumer of telecommunications services, to intervene in or to offer comments on this case to ensure that the plan responds to the needs of all District ratepayers.

The magnitude of these cases is unprecedented. In **Formal Case No. 850**, C&P showed that it had doubled its rate base (total customers) in less than 8 years, for the period beginning in 1985.

New entrants into the Telecommunications field such as Teleport, Metropolitan Fiber Systems and Institutional Communications Company could present new concerns. As we have seen in **Formal Case No. 892**, when new entrants into the telecommunications field place applications for certificates of public convenience and necessity, the lack of an established assessment mechanism inhibits the participation of the Office and the PSC.

CONCLUSION

The Office looks forward to continuing to meet these and other challenges in advocating to hold D.C. utility rates at just and reasonable levels as required by law. We hope the members of the Committee recognize the success we have had maintaining the cost of utility services in the District, and continue to support the work of the Office as you have in the past.

Again, Mr. Chairman, and members of the subcommittee, on behalf of all District utility consumers, I thank you for this opportunity to present our FY 1994 budget.

OPERATING BUDGET DETAIL BY AGENCY

AGENCY	1992 ACTUAL	1993 APPROVED	1994 PROPOSED
PUBLIC WORKS			
Department of Public Works:			
District Funds	96,356	94,706	82,817
Federal Funds	3,620	2,304	2,205
Other Funds	20,621	28,719	28,719
Total	120,597	125,729	113,741
D.C. Taxicab Commission:			
District Funds	1,423	1,576	1,592
Other Funds	238	272	452
Total	1,661	1,848	2,044
WMATC:			
District Funds	96	96	96
WMATA:			
District Funds	98,973	126,894	126,894
School Transit:			
District Funds	4,387	4,350	4,350
Total District Funds	201,235	227,622	215,749
Total Federal Funds	3,620	2,304	2,205
Total Other Funds	20,859	28,991	29,171
TOTAL, PUB. WKS.	**225,714**	**258,917**	**247,125**

OPERATING BUDGET DETAIL BY AGENCY

AGENCY	1992 ACTUAL	1993 APPROVED	1994 PROPOSED
ENTERPRISE FUNDS			
Department of Public Works:			
District Funds	192,175	233,538	221,770
Other Funds	30,540	55	50
Total	222,715	233,593	221,820
Washington Aqueduct:			
District Funds	16,164	18,092	19,159
Lottery and Charitable Games Control Board:			
Other Funds	147,788	140,992	162,925
Total	147,788	140,992	162,925
D.C. General Hospital			
District Funds	69,943	65,030	53,701
Other Funds	89,942	88,752	91,519
Total	159,885	153,782	145,220
Cable Television			
District Funds	1,842	2,500	2,353
Other Funds	32	25	14
Total	1,874	2,525	2,367
Total District Funds	278,282	316,660	294,630
Total Federal Funds	0	0	0
Total Other Funds	268,302	229,824	254,508
TOTAL, ENTERPRISE FUNDS	**546,584**	**546,484**	**549,138**
Total District Funds	**3,507,110**	**3,563,209**	**3,626,000**
Total Federal Funds	**643,514**	**695,090**	**748,554**
Total Other Funds	**272,314**	**287,684**	**300,257**
Total Operating Budget	**4,422,937**	**4,545,983**	**4,674,811**

THURSDAY, MAY 27, 1993.

DEPARTMENT OF PUBLIC WORKS

WITNESSES

BETTY HAGER FRANCIS, DIRECTOR
CELL BERNARDINO, DEPUTY DIRECTOR FOR STRATEGIC PLANNING AND ADMINISTRATION
GEORGE THOMAS, III, UTILITY CONTROLLER, WATER AND SEWER UTILITY ADMINISTRATION
WALTER C. KELLY, JR., ACTING CONTROLLER
GARY BURCH, ADMINISTRATOR, DESIGN, ENGINEERING AND CONSTRUCTION ADMINISTRATION
GWEN MITCHELL, ADMINISTRATOR, TRANSPORTATION SYSTEMS ADMINISTRATION
DANNY JOHNSON, ADMINISTRATOR, FLEET MANAGEMENT ADMINISTRATION
EDWARD SCOTT, ADMINISTRATOR, WATER AND SEWER UTILITY
GWEN ALLEN, CHIEF OF STAFF

BUDGET REQUEST OF DEPARTMENT OF PUBLIC WORKS

Mr. DIXON. Next, we have before us the Department of Public Works and its Director, Betty Hager Francis.

As I understand it, the Department of Public Works has two operating funds, the general fund and the water and sewer fund. And you have a 1994 request as well as a 1993 supplemental request for each fund.

For fiscal year 1994 for the general fund, you are requesting $82,817,000 and 1,330 positions, a reduction of −$11,889,000 and −210 positions below fiscal year 1993 enacted appropriation level.

For the water and sewer fund, you are requesting $221,770,000 and 1,519 positions, a net decrease of −$11,768,000 and an increase of +64 positions below the fiscal year 1993 enacted appropriation level.

Your grand total for fiscal year 1994 for both funds is $304,587,000 and 2,849 positions, a net decrease of −$23,657,000 and −146 positions below last year's level.

That is your total for the two funds for Fiscal Year 1994 which we will take up separately.

Let me just note that when you add in the Federal, private and intra-District funds you have a total budget for fiscal year 1994 of $398,356,000 which is a decrease of −$23,139,000 below fiscal year 1993.

Under capital improvements for fiscal year 1994, you are requesting rescissions of −$11,428,115 and increases of $64,104,000 for 27 projects listed on pages 111 through 156 of the Capital Budget justifications.

PREPARED STATEMENT OF PUBLIC WORKS DIRECTOR

Ms. Francis, if you have a prepared statement we will receive it at this point for the record, and if you would just like to highlight it, we would be pleased to receive your testimony at this point in time.

[The prepared statement referred to follows:]

DEPARTMENT OF PUBLIC WORKS
OPENING STATEMENT
FY 1994 BUDGET
AND FY 1993 REVISED BUDGET
BEFORE THE COMMITTEE ON PUBLIC WORKS

Thank you, Chairman Dixon and members of the Committee. I am Betty Hager Francis, Director of the Department of Public Works, and I am very pleased to appear before you today to discuss our budget request for Fiscal Year 1994 and our revised request for Fiscal Year 1993. With me today are Cell Bernardino, Deputy Director for Strategic Planning and Administration; Walter Kelly, Controller; Gwendolyn Mitchell, Administrator for Transportation Systems; Gary Burch, Administrator for Design, Engineering and Construction; Edward Scott, Administrator for the Water and Sewer Utility; George Thomas, Utility Controller; Danny Johnson, Administrator, Fleet Management and Gwen Allen, Chief of Staff.

I know that you are familiar with the programs of this agency. However, I would like to state for the record that we are responsible for the planning, design, construction and maintenance of the District's physical infrastructure (its streets, bridges and certain public buildings); the distribution of potable water; the collection, treatment and disposal of wastewater; parking management; the collection, recycling and disposal of solid waste; the administration of motor vehicle regulations; the coordination of efforts with WMATA to insure that the District's interests in mass transportation are fully served; the maintenance of all District vehicles, except those of the Departments of Police, Fire, Corrections and Education; and the operation of certain energy conservation programs.

Before proceeding to discussion of our budget requests, I want to take this opportunity to call attention to the progress we achieved in FY 1992 and continue to achieve this year. I think you will agree we are making strides in addressing matters that have long been issues of public concern, especially in the provision of direct services to the residents of the District. For example:

o We repaired about 90 miles of roadways in the District in 1992. When combined with the 60 miles we repaired in 1991, we have repaired in two years the 150 miles that had been repaired during the previous five years. This year

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we expect to add another 80 miles and to start a number of major reconstruction projects, including John Philip Sousa Memorial Bridge, Taft Memorial Bridge, Case Memorial Bridge and the remaining sections of both the Whitehurst Freeway and Suitland Parkway.

o Our Bureau of Motor Vehicle Services dramatically reduced waiting times for tags, drivers' licenses and vehicle inspections. What once took residents hours of waiting in line, usually at the cost of taking a day off work, now can be done in a half-hour or less. We expanded our hours to include evenings and Saturdays, and started offering the option of a two-year tag and combined expiration dates for tags and residential parking permits.

o In our six-point plan to improve parking management and enforcement, we have identified 3,579 additional parking spaces, about 2,000 of them in our four areas most troubled by lack of on-street parking. We also improved training of our Parking Control Aides in such fields as cultural diversity, stress management and confrontation avoidance, thereby reducing the number of complaints about rudeness by 60 percent. And we have continued to streamline adjudication of tickets, cutting the average waiting time for an unscheduled, walk-in hearing from four and a half hours to two hours or less.

o As part of our environmental campaign, "Make It Green, Keep It Clean -- Stop Trashing D.C.," we planted 3,111 trees along District streets last year, and this year we have planted a record 4,000 more. We also launched an Adopt-a-Block program to enlist citizen participation in caring for our neighborhoods, and an ambitious pilot project that is marshalling comprehensive sanitation services in a target area of Ward 1, a program we are now preparing to expand to sections of Ward 5, and one which we know others are eager to have us expand into their residential areas as well.

o Our recycling program now collects curbside from every ward in the District, giving us a citywide program. In this program we collect a greater variety of materials than other jurisdictions in the area, including aerosol cans, telephone books, magazines and cardboard, and we will soon begin a program

of collection centers for household hazardous products. I should note that as recently as a year ago we were collecting curbside only east of the Anacostia River. We also recently signed a contract for a long-awaited District-based, minority-owned Materials Recycling Facility.

o In our snow control program, we added 35 new trucks to the fleet we have available for plowing and spreading abrasives, and as you know we now also mount plows on enough of our trash compactors to cover all 711 miles of residential streets when the amount of snowfall warrants extensive plowing. Also this year, we started using our new salt dome, which has brought about a marked increase in efficiency and effectiveness to our program.

o Finally, I must mention the success of our preparations for and clean-up after both the Presidential Inauguration in January and the more recent Lesbian, Gay and Bi-sexual Equal Rights and Liberation Parade. The Department of Public Works, along with other city agencies, received high praise for the cleanliness of the city before the Inauguration Week ceremonies; the efficient diversion of traffic during the various major events of that week; the professionalism of our help with security measures and parade route preparations; our construction of the Inaugural reviewing stands for the President, the Mayor and the news media, and the efficiency of our subsequent clean-ups. After the Inaugural parade, we removed some 30 tons of trash from the area in less than six hours, and after the gay rights march, more than double that amount overnight and the following morning.

FY 1994 BUDGET REQUESTS

The FY 1994 budget request is comprised of five major components, including $82,817,000 and 1,330 full-time equivalent (FTE) positions for the General Fund operations of the agency; $221,770,000 and 1,519 FTE positions for the Water and Sewer Utility; $126,894,000 for the District's share of the Washington Metropolitan Area Transit Authority operating subsidy; $4,350,000 for the School Transit Subsidy; and a net request of $127,075,885 for capital improvements. Our discussions this morning will cover the General Fund operating budget, and the Enterprise Fund of the Water and Sewer Utility

Administration.

GENERAL FUND

The FY 1994 General Fund Budget request is $82,817,000 and 1,330 FTEs, a reduction of $8,680,000 and an increase of 19 FTEs from the revised FY 1993 request. The revised FY 1993 request is $91,497,000 and 1,311 FTEs, a reduction of $3,209,000 and 229 FTEs from the approved FY 1993 budget. The FY 1993 revised budget offers significant savings in personnel costs.

The Department has adopted a strategy that will build a quality-conscious, service-oriented culture by training staff in communication and customer service, and continuously improving that culture by practical application and reinforcement so that quality service becomes part of the personal commitment of each and every DPW employee.

We are enhancing the Department's ability to manage performance effectively by installing a comprehensive management system to monitor productivity and provide work-planning and tracking mechanisms and other results-focused management tools. We are also re-engineering the Department's work for greater efficiency, synergy and speed by using the power of the computer to redesign the organization and flow of work, with savings resulting from improved processes. When analysis and the experience of other jurisdictions demonstrates the potential for more efficient operations and or better service delivery, the agency plans to privatize selected activities.

Consistent with these strategies, major cost-reduction changes are proposed in the Solid Waste Management, Transportation Systems and Fleet Management programs, as follows:

- **Conversion of the Solid Waste Reduction Center No. 1 to a Transfer Station during FY 1993 will result in a reduction of $2,700,000 in appropriated funds in FY 1994, and avoid additional capital investment in an obsolete incinerator.**

- Direct contracting out of streetlight and signal maintenance, as a result of deregulation; conversion to energy efficient equipment and various improvements in operations will result in a savings of $1,150,000 in FY 1994.

- Elimination of the "Admit with Explanation" plea on parking tickets will result in a reduction of $600,000 in personal services expenses and provide the District with a $3,900,000 increase in revenues in FY 1994. This proposal is consistent with management audit recommendations.

- Reductions of $1,103,000 will be achieved by privatizing selected Fleet Management activities. This will be accomplished through a combination of position reductions and realignment, and contracting out maintenance of light vehicles and small-engine powered equipment, as well as vehicle painting and glass work. This proposal is consistent with management audit recommendations.

These budget-reduction proposals are linked to specific positions within each affected program. It is critical that we all understand that these positions can only be reduced upon authorization of the associated budget reduction proposals. Otherwise, adverse impacts on the programs will be catastrophic.

WATER AND SEWER UTILITY ADMINISTRATION

The Water and Sewer Utility Administration FY 1993 revised budget request is $204,773,000 and 1,459 full-time equivalent (FTE) positions. The revised budget reflects a net reduction of $28,765,000 from the original budget. The Water and Sewer Utility Administration is funded entirely by revenues generated from water and sewer customers. To ensure that the utility maintains its financial integrity, a water and sewer rate study is underway to address revenue requirements.

The revised budget primarily reflects elimination of the pay-as-you-go transfer payment and the payment in lieu of taxes and a reduction in maintenance contracts costs. The under-spending is offset by increases in costs for chemicals, sludge disposal, dumping fees, the rate study and Council of Government studies.

The FY 1994 request is $221,770,000 and 1,519 FTE positions. The request reflects an increase of $16,997,000 over the FY 1993 revised budget. The FY 1994 request funds an increase of 60 FTE positions that support new facilities, new technology and de-watering programs. The request also supports increased chemical prices and quantities, maintenance and meter parts for the new programs and facilities, and increased sludge disposal costs.

Finally, our budget request will ensure that the Water and Sewer Utility Administration continues to provide the citizens of the District with safe drinking water and to collect, treat and dispose of wastewater for the District, as well as a large portion of neighboring jurisdictions, in an environmentally safe manner that protects our waterways.

I will be happy to respond to any questions you have concerning these budget requests.

Department of Public Works

Agency Overview

Mission

The Department of Public Works (DPW) commits its resources to improve the overall quality of life for District residents and enhance the District's ability to compete for business, tourism and trade by maintaining and upgrading the infrastructure and delivering and continuously improving the services that contribute to a safe, sanitary and aesthetic environment and the safe, efficient movement of people, goods and information.

Agency Description

DPW is a large, complex organization that combines a range of direct service and support functions traditionally provided by municipal government with a number of planning and regulatory functions typically provided at the state government level. DPW provides solid waste, transportation, vegetation and water resources management services; infrastructure planning, design, construction, operation and maintenance; public space and parking permits issuance and enforcement; energy efficiency advocacy, conservation and assistance services; and advice, technical assistance and support services. These programs are directed to meet the identified needs of District residents and businesses, visitors to the District, other District Government agencies, other jurisdictions and levels of government, and to DPW employees and vendors, in the District of Columbia and the region.

Agency Budget Summary

FY 1994: The *total* budget from all funding sources in FY 1994 is $166,576,235 and 2,471 FTEs, a reduction of $8,497,765 and increase of 24 full-time equivalent (FTE) positions from the revised FY 1993 budget. The *appropriated* request for FY 1994 is $82,817,000 and 1,330 FTEs, a reduction of $8,680,000 and and an increase of 19 FTEs from the revised FY 1993 request. The *nonappropriated* budget for FY 1994 is $83,759,235 and 1,141 FTEs, a decrease of $17,765 and and an increase of 5 FTEs from the revised FY 1993 budget.

FY 1993 Revised: The FY 1993 revised appropriated budget request is $91,497,000 and 1,311 FTEs, a reduction of $3,209,000 and 229 FTEs from the approved FY 1993 budget. This includes an increase of $426,000 for employee health benefits, and reductions of $1,898,000 for employee furloughs, $494,000 for within-grades and other program adjustments totalling $1,443,000. The revised FY 1993 nonappropriated budget is $83,777,000 and 1,136 FTEs, an increase of $150,000 and a decrease of 52 FTEs from the approved FY 1993 budget. The changes are described in detail in the program sections of the budget.

Major changes are proposed in the Solid Waste Management, Transportation Services and Fleet Management Programs as follows:

- Convert the Solid Waste Reduction Center #1 to a Transfer Station during FY 1993. This will result in a reduction of $2,700,000 in appropriated funds in FY 1994, and avoid additional capital investment in an obsolete incinerator.

Department of Public Works

- Direct contracting out by DPW of streetlight and signal maintenance, as a result of deregulation, will result in a reduction of $1,150,000 in FY 1994.

- Elimination of the "admit with explanation" plea on parking tickets will result in a reduction of $600,000 in personal services expenses and provide the District with a $3,900,000 increase in revenues in FY 1994. This requires legislative action.

- Reductions of $1,103,000 will be achieved by privatizing selected Fleet Management activities. This will be accomplished through a combination of staff reductions and realignment and contracting out maintenance of light vehicles and small engine powered equipment, as well as vehicle painting and glass work. This proposal is consistent with the management audit recommendations.

- An increase of $1,184,000 for street and alley cleaning including supercan replacement in FY1994.

- An increase of $1,033,000 covers the projected rise in costs for employee health benefits in FY 1994.

- The FY 1994 appropriated budget has been reduced by 84 FTEs and $2,520,000 as part of the effort to reduce the size of government.

Departmental Strategy

- Build a quality-conscious, service-oriented culture by training staff in communication, customer service and continuous improvement and by practical application and reinforcement of that training so that quality service becomes part of the personal accountability of each DPW employee.

- Re-engineer the Department's work for greater efficiency, synergy and speed by using the power of the computer to redesign the organization and flow of work, with savings resulting from improved processes.

- Structure on-going comparison and competition (benchmarking) with cities\states\regions worldwide that are acknowledged leaders in public works services to expose DPW staff to state-of-the-art practices and motivate them to innovate and perform.

- Move public works services that can be priced in the marketplace toward self-sufficiency (e.g. profit center operation).

- Enhance the Department's ability to manage performance effectively by installing a comprehensive management system to monitor productivity and provide work-planning and tracking mechanisms and other results-focused management tools.

Budget Strategy and Impacts

- Sharply reduce or eliminate the use of overtime for routine or scheduled operations.

- Adapt and adopt practices that have proven to be more efficient in other jurisdictions. For example, legislatively eliminating the "Admit with Explanation" plea (unique to the District) currently afforded in parking violation adjudication and limiting the number of categories of appeal (as in other jurisdictions) will reduce the number of hearings by 50% to 75%, resulting in staff savings, and some $4 million in additional revenue (i.e., revenue not lost in adjudication) each year. This change is in keeping with practices nationwide.

- Privatize selected activities, when analysis and the experience of other jurisdictions demonstrates the potential for more efficient operation and/or better service delivery. The agency is proposing to contract out the Fleet Management Administration's (FMA) maintenance of light vehicles and small engines (e.g. lawnmowers and powered equipment). In this case there should be both savings and service improvement because FMA will concentrate its efforts on heavy equipment repair which is critical to DPW's mission.

- Plan and strictly control expenditures, deferring purchases where possible without impacting service quality.

Department of Public Works

Table I **Agency Staffing and Funding Detail**

Programs	Staffing (FTE Positions)				Funding			
	FY92 Actual	FY93 Budget	FY93 Revised	FY94 Proposed	FY92 Actual	FY93 Budget	FY93 Revised	FY94 Proposed
Departmental Leadership & Management Program	13.1	14.0	14.0	14.0	1,122,818	871,000	851,000	771,000
Mass Transit Services Program	13.7	17.0	15.0	15.0	686,664	701,000	683,000	669,000
Financial Services and Control Program	49.2	65.0	59.0	65.0	4,506,256	6,135,000	6,100,000	6,178,000
Management Services Program	35.5	37.0	34.0	35.0	1,426,808	1,376,000	1,341,000	1,329,000
Information Services Program	39.5	46.0	43.0	43.0	2,740,227	3,032,000	3,001,000	2,855,000
Planning and Policy Development Program	41.7	41.0	39.0	41.0	3,443,353	3,091,000	3,075,000	2,956,235
Solid Waste Management Program	863.6	745.0	651.0	670.0	59,384,021	54,482,000	53,372,000	50,456,000
Transportation Systems Program	633.4	724.0	644.0	645.0	37,904,331	38,446,000	37,028,000	35,236,000
Design, Engineering & Const. Program	266.4	582.0	537.0	537.0	26,388,271	36,908,000	36,696,000	34,428,000
Fleet Managment Administration	128.6	164.0	135.0	130.0	13,371,575	12,295,000	12,014,000	10,695,000
Facilities Operations & Maintenance Program	241.2	293.0	276.0	276.0	23,575,977	20,996,000	21,113,000	21,003,000
Total Agency	2,325.9	2,728.0	2,447.0	2,471.0	174,550,301	178,333,000	175,274,000	166,576,235
Appropriated Funds	1,435.5	1,540.0	1,311.0	1,330.0	96,356,000	94,706,000	91,497,000	82,817,000
Federal Funds	34.0	36.0	34.0	37.0	3,620,290	2,304,000	2,304,000	2,205,235
Intra-District Funds	655.8	845.0	811.0	813.0	53,953,328	52,604,000	52,754,000	52,835,000
Other Funds	200.6	307.0	291.0	291.0	20,620,683	28,719,000	28,719,000	28,719,000

Department of Public Works

Table II **Agency Outputs**

Measures	FY 1991	FY 1992	FY 1993	FY 1994
Tons recycled material collected	160,390	164,800	214,300	259,730
Tons of Solid Waste processed (ash excluded)	655,162	675,089	642,900	606,040
Tons of household waste recycled	51,701	27,777	42,500	50,000
Tons of household solid waste collected	158,684	157,415	145,254	137,991
Vehicles registered	247,000	243,000	250,000	248,000
Average waiting time for vehicle registration (min)	75	45	30	30
Operator permits issued	140,000	146,000	153,000	175,000
Average waiting time for operators permits (min)	44	25	20	20
Average waiting time for walk-in renewals (min.)	50	25	20	20
Average waiting time for mail-in renewals (days)	20	12	10	10
Motor vehicles inspected	313,000	316,000	320,000	320,000
Average waiting time at Northeast Station (min)	75	75	40	40
Average waiting time at Southwest Station (min)	75	75	40	40
Walk-in hearings conducted	229,098	201,296	210,000	286,000
Average waiting time for walk-in hearings (hours)	4	2	1	1
Mail hearings conducted	66,659	71,970	161,244	105,000
Average waiting time for mail adjudication (days)	180	120	45	30
Miles of streets rehabilitated	60	90	80	80
Number of trees planted	3,054	3,111	4,000	3,000
Average age of vehicles in inventory (years)	9	10	11	12
Scheduled preventive maintenance	11,100	11,204	11,204	12,000
Average vehicle downtime (hours)	10	13	14	8

Table V **Agency Appropriated Summary by Expenditure Type**

Expenditure Type	Staffing (FTE)				Funding			
	FY 92 Actual	FY 93 Budget	FY 93 Revised	FY 94 Proposed	FY 92 Actual	FY 93 Budget	FY 93 Revised	FY 94 Proposed
Personal Services								
Regular Pay	1,117.7	1,197.0	1,032.0	1,051.0	31,910,000	35,292,000	33,052,000	32,796,000
Other Pay	317.8	343.0	279.0	279.0	6,162,528	4,480,000	4,196,000	3,533,000
Additional Gross Pay	0.0	0.0	0.0	0.0	5,583,444	2,063,000	1,270,000	1,136,000
Fringe Benefits	0.0	0.0	0.0	0.0	6,648,914	7,218,000	7,626,000	7,656,000
Total Personal Services	1,435.5	1,540.0	1,311.0	1,330.0	50,304,886	49,053,000	46,144,000	45,121,000
NonPersonal Services								
Supplies					3,610,657	5,466,000	5,466,000	4,755,000
Energy					8,003,594	6,098,000	6,098,000	6,098,000
Communications					1,361,124	1,543,000	1,543,000	1,543,000
Building Rent					1,012,728	1,132,000	1,132,000	1,132,000
Other Services & Charges					31,387,792	29,442,000	29,142,000	22,636,000
Subsidies & Transfers					480	60,000	60,000	0
Equipment					674,739	1,912,000	1,912,000	1,532,000
Total NonPersonal Services					46,051,114	45,653,000	45,353,000	37,696,000
TOTAL AGENCY	1,435.5	1,540.0	1,311.0	1,330.0	96,356,000	94,706,000	91,497,000	82,817,000

Water and Sewer Utility Administration-Dept. of Public Works

Agency Overview

Mission

The mission of the Water and Sewer Utility Administration (WASUA), Department of Public Works (DPW), is to provide the citizens of the District with drinking water and to collect, treat and dispose of wastewater for the District, as well as a large portion of neighboring jurisdictions in an environmentally safe manner that protects our waterways.

Agency Description

Blue Plains Advanced Treatment Plant is the Utility's greatest single investment. It is one of the largest tertiary wastewater facilities in the country. It is comprised of approximately 1,800 miles of sanitary/combined sewers 600 miles of storm sewers, 25 sewer pumping stations as well as 3 water pumping stations and 1,286 miles of water mains. The utility distributes potable water supplied by the Washington Aqueduct. An Intermunicipal Agreement (IMA), signed by the major Blue Plains users allocates the plant treatment capacity as well as assigns to the District the responsibility of operating the plant. WASUA's costs of operations and capital improvements are financed from the sale of water and sewer services. The plant's treatment standards are mandated by the National Pollutant Discharge Systems (NPDES) permits issued by the United States Environmental Protection Agency (EPA). It requires that WASUA operates and maintains all treatment process-related equipment in working conditions and to meet its permit effluent standard.

WASUA's work is being carried out through the following major operations:

- Wastewater treatment treats and disposes of sewage and liquid wastes delivered from sewerage systems of the District of Columbia and surrounding jurisdictions in Maryland and Virginia to ensure that effluent limits are in compliance with the NPDES permits established by EPA guidelines.

- Sludge Management controls the disposal of all sludge generated at the Blue Plains Wastewater Treatment Plant.

- Maintenance Services provides the maintenance required to sustain the capital investment of equipment and facilities to meet the NDPES permits requirements.

- Sewer Services controls, operates and maintains all elements of the sewer system of Blue Plains.

- Water Services distributes potable and palatable water in sufficient quantity and pressure to satisfy the needs of residents and businesses in the District of Columbia.

- Water Measurement and Billing installs and maintains water measurement devices and renders bills to all users of the water supply, collects revenues and provides customer service.

Water and Sewer Utility Administration-Dept. of Public Works

- Engineering Services ensures that water, sewage, storm and combined sewer systems and wastewater treatment infrastructure and facilities are adequately planned for, designed and constructed, rehabilitated, replaced and expanded to protect the water quality.

- Executive and Direction and Support Services includes all departmental management, budget and accounting, ADP services and support activities, Debt Services and Pay-As-You-Go Capital projects.

Agency Budget Summary
FY 1994: The *appropriated* request for FY 1994 is $221,770,000 and 1,519 FTEs, an increase of $16,997,000 and 60 FTEs over the revised FY 1993 budget.
FY 1993 Revised: The FY 1993 revised budget reflects a reduction of $28,765,000 and an increase of 4 FTEs from the FY 1993 approved budget. The changes are described in detail in the program sections of the budget.

Major changes include the following:

- Personal service costs increased by $6,492,000 and 60 FTE positions to provide for new facilities and enhanced programs in FY 1994. The FY 1993 revised budget is increased by 4 FTEs and reduced by $258,000.

- Materials and supplies are increased by $7,189,000 in FY 1994 as a result of new facilities and new Technology and Dewatering program. The FY 1993 revised budget is increased by $1,320,000 primarily for chemicals and maintenance parts.

- Other charges and contracts are increased by $2,414,000 in FY 1994 for sludge disposal cost increase and equipment maintenance. The FY 1993 revised budget reflects an increase of $6,973,000 for sludge disposal, dumping costs to remove debris from the catch basin, offset by a reduction of $4,511,000 as a result of overestimated maintenance contracts that will not be in place as anticipated.

- The FY 1993 revised budget reflects a reduction of $22,705,000 as a result of elimination of the Pay-As-You-Go transfer payment because of adequate cash balances in the Capital fund.

- FY 1993 revised budget reflects a reduction of $12,200,000 as a result of elimination of the Payment In Lieu of Taxes (PILOT) program.

- Equipment cost is increased by $106,000 in FY 1994 for major equipment. FY 1993 revised budget requests an increase of $2,271,000 for vehicular and major equipment purchases.

- The FY 1994 budget requests an increase of $836,000 for Debt Services Cost because of additional bond issues.

Water and Sewer Utility Administration-Dept. of Public Works

- The nonappropriated budget for FY 1994 is increased by $386,000 and decreased by 3 FTEs primarily for Capital projects.

Budget Strategy and Impacts

Strategy: WASUA's operating and capital expenditures are supported primarily by the revenues generated through the sale of water and sewer services to customers in the District of Columbia and several surrounding jurisdictions within the metropolitan area. An Intermunicipal Agreement (IMA), signed by the major Blue Plains users on September 5, 1985 requires the jurisdictions to reimburse the District for the cost of treating their sewage at the Blue Plains.

With the escalation of the operating and capital costs, the revenues have not kept pace with its costs. A rate study is underway to determine the appropriate revenue requirements for service to its District of Columbia customers and is expected to be completed in late FY 1993.

Impact: WASUA is operated under mandated guidelines by the National Pollutant Discharge Elimination System (NPDES) permits. As such WASUA must operate its facilities in a manner that continues in compliance with the permit or be subject to legal consequences.

Table I **Agency Staffing and Funding Detail**

Programs	Staffing (FTE Positions)				Funding			
	FY92 Actual	FY93 Budget	FY93 Revised	FY94 Proposed	FY92 Actual	FY93 Budget	FY93 Revised	FY94 Proposed
Water & Sewer Utility Administration	1,237.7	1,670.0	1,674.0	1,731.0	229,329,420	243,162,000	214,397,000	231,780,000
Total Agency	1,237.7	1,670.0	1,674.0	1,731.0	229,329,420	243,162,000	214,397,000	231,780,000
Appropriated Funds	1,091.1	1,455.0	1,459.0	1,519.0	192,175,180	233,538,000	204,773,000	221,770,000
Federal Funds	0.0	0.0	0.0	0.0	0	0	0	0
Intra-District Funds	146.6	215.0	215.0	212.0	6,614,668	9,569,000	9,569,000	9,960,000
Other Funds	0.0	0.0	0.0	0.0	30,539,571	55,000	55,000	50,000

Table II **Agency Outputs**

Measures	FY 1991	FY 1992	FY 1993	FY 1994
Water delivered from Washington Aqueduct (millions of gallons per day)	149	144	153	179
Water Customer Services Calls	85,000	85,000	50,000	50,000
Wastewater treated (millions of gallons per day)	293	293	300	300
Sludge disposed of (tons per day)	1,540	1,540	1,100	1,346
Sewage pumped (millions of gallons per day)	300	300	300	300
Number of water bills issued annually	487,120	487,120	510,000	510,000

Water and Sewer Utility Administration-Dept. of Public Works

Table V **Agency Appropriated Summary by Expenditure Type**

Expenditure Type	Staffing (FTE)				Funding			
	FY 92 Actual	FY 93 Budget	FY 93 Revised	FY 94 Proposed	FY 92 Actual	FY 93 Budget	FY 93 Revised	FY 94 Proposed
Personal Services								
Regular Pay	1,003.1	1,379.0	1,411.0	1,483.0	31,482,493	42,752,000	42,414,000	47,081,000
Other Pay	88.0	76.0	48.0	36.0	1,931,468	1,274,000	69,000	719,000
Additional Gross Pay	0.0	0.0	0.0	0.0	7,655,122	5,933,000	6,768,000	6,977,000
Fringe Benefits	0.0	0.0	0.0	0.0	5,757,852	6,362,000	6,812,000	7,778,000
Total Personal Services	1,091.1	1,455.0	1,459.0	1,519.0	46,826,935	56,321,000	56,063,000	62,555,000
NonPersonal Services								
Supplies					23,368,709	31,754,000	33,074,000	40,263,000
Energy					12,669,249	12,587,000	12,892,000	12,892,000
Communications					919,805	581,000	621,000	581,000
Building Rent					42,731	222,000	222,000	222,000
Other Services & Charges					41,852,079	49,079,000	51,541,000	53,955,000
Subsidies & Transfers					29,059,048	34,905,000	0	0
Equipment					407,965	8,487,000	10,758,000	10,864,000
Total NonPersonal Services					108,319,586	137,615,000	109,108,000	118,777,000
TOTAL AGENCY	1,091.1	1,455.0	1,459.0	1,519.0	155,146,521	193,936,000	165,171,000	181,332,000

Water and Sewer Utility Administration-Dept. of Public Works

Table VI **Agency Appropriated Summary by Bureau**

Bureau	Staffing (FTE Positions)				Funding ($)			
	FY92 Actual	FY93 Budget	FY93 Revised	FY94 Proposed	FY92 Actual	FY93 Budget	FY93 Revised	FY94 Proposed
Bureau of Wastewater Treatment	198	253	254	253	32,715,994	34,650,000	36,558,000	38,373,000
Bureau of Sludge Treatment	19	37	37	37	27,042,889	18,554,000	23,170,000	24,824,000
Bureau of Water Services	128	145	145	145	8,162,259	10,826,000	10,826,000	10,926,000
Bureau of Sewer Services	113	171	183	182	7,652,172	10,589,000	12,328,000	13,004,000
Bureau of Maintenance Services	281	347	347	361	29,242,060	53,563,000	49,800,000	54,908,000
Bureau of Water Measurement and Billing	196	258	240	240	10,290,778	14,037,000	13,296,000	17,803,000
Office of Engineering Services	34	59	59	72	1,250,139	3,024,000	3,146,000	4,439,000
Office of Material Management	43	51	51	67	1,710,144	1,918,000	2,122,000	3,745,000
Office of The Administrator	6	10	10	9	30,408,805	13,658,000	1,739,000	1,432,000
Office of Administrative Services	56	72	78	78	2,548,019	6,171,000	6,834,000	6,438,000
Office of The Utility Controller	35	41	44	44	2,649,165	2,350,000	3,129,000	2,935,000
Office of ADP Services	8	11	11	31	1,475,098	1,891,000	2,223,000	2,505,000
Total, PS & NPS	1,117	1,455	1,459	1,519	155,146,521	171,231,000	165,171,000	181,332,000
Debt Service					37,028,659	39,602,000	39,602,000	40,438,000
Pay As You Go Capital					0	22,705,000	0	0
Expenditures Without Aqueduct	1,117	1,455	1,459	1,519	192,175,181	233,538,000	204,773,000	221,770,000
Aqueduct					16,164,229	18,092,000	18,092,000	18,092,000
Total, Expenditures	1,117	1,455	1,459	1,519	208,339,410	251,630,000	222,865,000	239,862,000

Ms. FRANCIS. Thank you, Chairman Dixon and members of the committee. I am Betty Hager Francis, Director of the Department of Public Works, and I am very pleased to appear before you today to discuss our budget request for fiscal year 1994 and our revised request for fiscal year 1993.

INTRODUCTION OF STAFF

With me today are Cell Bernardino, Deputy Director for Strategic Planning and Administration; Walter Kelly, Controller; Gwendolyn Mitchell, Administrator for Transportation Systems; Gary Burch, Administrator for Design, Engineering and Construction; Edward Scott, Administrator for the Water and Sewer Utility; George Thomas, Utility Controller; Danny Johnson, Administrator, Fleet Management Administration and Gwen Allen, Chief of Staff.

RESPONSIBILITIES OF DPW

I know you are familiar with the programs of the agency. We are responsible for planning, design, construction, and maintenance of the District of Columbia's physical infrastructure, the distribution of potable water, the collection, treatment and disposal of waste water, parking management, the collection, recycling and disposal of sold waste, the administration of motor vehicle regulations; the coordination of efforts with WMATA to insure that the District's interests in mass transportation are fully served; the maintenance of all District vehicles, except those of the Departments of Police, Fire, Corrections and Education; and the operation of certain energy conservation programs.

ACCOMPLISHMENTS OVER PAST YEAR

Before proceeding to discussion of our budget request, I want to take this opportunity to call attention to the progress we achieved in fiscal year 1992 and continue to achieve this year. I think you will agree that we are making strides in addressing matters that have long been issues of public concern, especially in the provision of direct services to the residents of the District.

For example, we repaired about 90 miles of roadways in the District in 1992. When combined with the 60 miles we repaired in 1991, we have repaired in two years the 150 miles that had been repaired during the previous five years. This year we expect to add another 80 miles and to start a number of major reconstruction projects, including the John Philip Sousa Memorial Bridge, Taft Memorial Bridge, Case Memorial Bridge, and the remaining sections of both the Whitehurst Freeway and the Suitland Parkway.

Our Bureau of Motor Vehicle Services dramatically reduced waiting times for tags, drivers' licenses and vehicle inspections. What once took residents hours of waiting in line usually at the cost of taking a day off from work, now can be done in a half an hour or less. We expanded our hours to include evenings and Saturdays and started offering the option of a two year tag and combined expiration dates for tags and residential parking permits.

3,500 ADDITIONAL PARKING SPACES

In our six-point plan to improve parking management and enforcement, we have identified over 3,500 additional parking spaces throughout the city, about 2,000 of them in our four areas most troubled by a lack of on-street parking: Georgetown, Adams Morgan, Capitol Hill and Foggy Bottom.

IMPROVED TRAINING OF PARKING CONTROL AIDES

We also improved training of our Parking Control Aides in such fields as cultural diversity, stress management and confrontation avoidance, thereby reducing the number of complaints about rudeness by about 60 percent. We have continued to streamline adjudication of tickets, cutting the average waiting time for an unscheduled, walk-in hearing from four and a half hours to two hours or less.

ENVIRONMENTAL PROGRAMS

As part of our environmental campaign, Make It Green, Keep It Clean—Stop Trashing D.C., we planted over 3,000 trees along the District streets last year and this year have planted a record 4,000 more trees.

We also launched an Adopt-a-Block program to enlist citizen participation in caring for our neighborhoods, an ambitious pilot project that is marshalling sanitation services in a target area of Ward 1, a program we are now preparing to expand to sections of Ward 5, and one which we know others are eager to have us expand into their residential areas as well.

RECYCLING

Our recycling program now collects curbside from every curbside ward in the district, giving us a city wide program. In this program, we collect a greater variety of materials than other jurisdictions in the area, including aerosol cans, telephone books, magazines and cardboard, and we will soon begin a program for collection centers for household hazardous wastes products. As recently as a year ago, we were collecting curbside only east of the Anacostia River. We recently signed a contract for a long-awaited District-based minority-owned materials recycling facility.

In our snow control program, we added 35 new trucks to the fleet we have available for plowing and spreading of abrasives. We now also mount plows on enough of our trash compactors to cover all 711 miles of residential streets when the amount of snow fall warrants extensive plowing. This year, we started using our new salt dome, which has brought about a marked increase in efficiency and effectiveness of our program.

PRESIDENTIAL INAUGURATION

Finally, I must mention the success of our preparations for and clean up after both the Presidential Inauguration in January and the more recent Lesbian, Gay and Bi-sexual Equal Rights and Liberation Parade. The Department of Public Works, along with other city agencies, received high praise for the cleanliness of the city before the Inauguration Week ceremonies; the efficient diversion of

traffic along various major-during the various major events of that week, the professionalism of our help with security measures and parade route preparations, our construction of the Inaugural reviewing stands for the President, the Mayor and the news media, and the efficiency of our subsequent clean-ups.

After the Inaugural parade, we removed some 30 tons of trash from the area in less than six hours and after the Gay Rights March more than double that amount overnight and the following morning.

FISCAL YEAR 1994 BUDGET REQUEST

Now for the fiscal year 1994 budget request. The fiscal year 1994 budget request is comprised of five major components, including $82,817,000 and 1,330 full-time equivalent positions for the general fund operations of the agency; $221,770,000 and 1,519 full-time equivalent positions for the water and sewer utility; $126,894,000 for the District's share of the Washington Metropolitan Area Transit Authority operating subsidy; $4,350,000 for the school transit subsidy; and a net request of $127,075,885 for capital improvements. Our discussions this afternoon will cover the general fund operating budget and the enterprise fund of the water and sewer utility administration.

Mr. DIXON. It isn't really necessary for you to read all of your statement.

Ms. FRANCIS. You don't want to hear about our quality——

Mr. DIXON. Not unless you have a burning desire.

MAJOR PROGRAM CHANGES

Ms. FRANCIS. There are four areas that we are making major changes. The major cost for reduction changes are proposed in solid waste management, transportation systems and fleet management programs as follows: The conversion of the Solid Waste Reduction Center Number 1 to a transfer station during 1993 will result in a reduction of $2,700,000 in appropriated funds in fiscal year 1994 and also will avoid additional capital investment in that obsolete incinerator.

We intend also to directly contract out for streetlight and traffic signal maintenance as a result of deregulation. And conversion to energy efficient equipment and various improvements in the operations will result in a savings of $1,150,000 in fiscal year 1994.

We also propose the elimination of the Admit with Explanation plea on parking tickets which will result in a reduction of $600,000 in personal services expenses and provide the District with a $3.9 million increase in revenues in fiscal year 1994. This proposal is consistent with the management audit.

We are also proposing reductions of $1,103,000 by privatizing selected fleet management activities. This will be accomplished through a combination of position reductions and realignments and contracting out maintenance of light vehicles and small engine power equipment as well as vehicle painting and glass work. This proposal is consistent with the management audit recommendations.

On some of the personnel reductions related to this elimination of the Admit with Explanation plea, tickets can go forward without explanation of the plea. So they have to go hand in hand.

DIPLOMATIC PARKING VIOLATIONS

Mr. DIXON. Let me ask you a couple of questions. Last year there was a big push to collect the outstanding balances of diplomatic tickets. The committee backed off in the conference and urged the District to move forward with the Department of State to collect the overdue amounts. You sent up a one-page statement on May 25, 1993 indicating that you were talking to the State Department but there was no final resolve. Has there been any change in the status?

Ms. FRANCIS. We are continuing to talk to the State Department. We have had two roundtables with the State Department and ambassadors from some of the representative embassies. The State Department recently provided us with a proposal to try to resolve the issue. Some of it is worthy of certainly moving forward. Some portions of it really are not very helpful.

We have made almost no progress in collecting that revenue. We still have about $6 million in outstanding ticket revenues. That includes the penalty. We have collected less than a quarter of a million dollars.

Mr. DIXON. Is it a position of the diplomatic communities that they should be exempt from traffic tickets?

Ms. FRANCIS. Some of them have indicated that in their countries diplomats are not responsible for paying parking tickets. We have tried to explain to them that is not the way it is here. Some of the issue—Ms. Mitchell can speak to this—some of the other issues are that the diplomats who ran up the tickets are no longer there. The former USSR no longer exists, and they have a good amount of those tickets.

Mr. DIXON. Do you have anything to add, Ms. Mitchell?

Ms. MITCHELL. No, I don't have anything to add at this time, except to agree with what Ms. Francis has said about the problems we have encountered.

We are continuing negotiations with the Department of State. They have told us that we have no way of collecting these fines incurred by the diplomatic communities. We cannot tow their vehicle to the impoundment lots and keep the vehicle. They have told us that they will continue to ask the mission to pay the outstanding tickets but they really don't have any teeth or anything to work with to force the missions to pay the tickets.

Ms. FRANCIS. They do propose to withhold registration renewal for vehicles with outstanding tickets. We tried to get the Corporation Counsel to see the light in terms of immobilization of those vehicles but unfortunately the Geneva Convention has a different stand on that.

Mr. DIXON. Then we might entertain putting that language back.

Ms. FRANCIS. That would be wonderful.

PROCESS OF ADJUDICATING TICKETS

Mr. DIXON. Explain to me your adjudication process for parking tickets. I call it send the money with your explanation but you call it——

Ms. FRANCIS. We have three pleas on our parking tickets, three pleas that a respondent may enter. One is admit, one is deny and one is admit with explanation, and we find that out of the 200,000 hearing requests we get each year, about 100,000 are admit with explanations. That really is the bulk of what we spend out time doing and that is why people when they come into the Bureau of Adjudication have to wait such a long time.

Mr. DIXON. Do you adjudicate the case and in some instances sent them their money back or set the case for a hearing?

Ms. FRANCIS. We hear all of those cases. We had a tremendous backlog. We have worked that backlog down. I think we almost have no backlog now. The mail adjudication has gone way up because we now provide for that and show that on the back of a ticket as an option.

What we are proposing to do with elimination of admit with explanation is allow for admits and deny with specific reasons for denial such as there was no sign there, you tagged the wrong car, those kinds of specific reasons for denial. We think that it gives sufficient due process.

We will also schedule hearings and also limit the discretion of our hearing examiners. This is not all included within this budget proposal.

Mr. DIXON. What I am asking is what happens next after I send the ticket in? Do I get a letter saying "come down for a hearing, we think your position has merit" or do you say——

Ms. FRANCIS. If you mail in the ticket, we adjudicate it by mail and send you a letter to tell you whether you are liable or dismissed. Otherwise, you can walk in for a hearing and stand and wait until we get through these 200,000 people.

CONTRACTING OUT FOR STREETLIGHT MAINTENANCE

Mr. DIXON. You mentioned you are contracting out for streetlighting maintenance?

Ms. FRANCIS. Yes.

Mr. DIXON. Is that going to take some legislation or——

Ms. FRANCIS. No. We currently——

Mr. DIXON. That has been agreed to by the City Council?

Ms. FRANCIS. It is not really required. PEPCO is under a maintenance service agreement with us for the maintenance of streetlights as a result of deregulation several years ago and we are currently undergoing deregulation of traffic signals. If we had not decided to contract directly with the vendors, we would be doing that again through PEPCO. So we are going to just say PEPCO charges us by doing it directly and we think we will probably get good service.

RECYCLING PROGRAM

Mr. WALSH. What percent of your waste stream now is recycled?

Ms. FRANCIS. Last year it was about 20 percent. We anticipate the upcoming year will be—we will have a large increase because we have gone curbside and are picking up from every house in the District.

Mr. WALSH. You are recycling 20 percent before you go into curbside?

Ms. FRANCIS. Yes.

Mr. WALSH. Do you have goals?

Ms. FRANCIS. Yes. We have to be at 45 percent by 1996, I believe.

WATER AND SEWER FUND

Mr. WALSH. Secondly, your water and sewer fund do the charges levied on water and sewer users cover the operation and maintenance of your water and sewer system entirely?

Ms. FRANCIS. That is what those charges are designed to do, is cover that portion of the——

Mr. WALSH. What do you do when you bond? Do you cover the debt service with that water fee, too?

Ms. FRANCIS. It is more for the capital program.

Mr. WALSH. I understand you couldn't just——

Mr. THOMAS. Debt service comes out of the revenues we collect on water bills.

Mr. WALSH. So all your water and sewer operations are covered?

Mr. THOMAS. Yes, sir, and the debt service.

BILLING FEDERAL GOVERNMENT FOR WATER AND SEWER CHARGES

Mr. WALSH. The Federal government's use of water must be substantial. Are we billed for those services?

Mr. THOMAS. Yes, sir.

Mr. WALSH. At the same rate everyone else is billed?

Mr. THOMAS. Same rate that District residents pay correct. We estimate at the beginning of the year and have a reconciliation.

Mr. DIXON. At one point the administration wanted to have actual billings mailed to each agency.

Mr. THOMAS. The prior administration wanted the District to bill each agency as opposed to going through OMB.

DISTRICT'S WATER BILL

Mr. WALSH. What about the District's use of water; is that just considered covered by the fees as opposed to setting up individual bills, like the zoo?

Mr. THOMAS. We accumulate the data but we don't bill the general fund.

Ms. FRANCIS. We do bill the zoo. That is a Federal government operation.

Mr. WALSH. The reason I used the zoo is because in Syracuse, I was the Chairman of the Public Works Committee, the zoo became a county facility. At one time it was a city facility and there was a big dispute over whether or not we would bill the zoo.

Ms. FRANCIS. That is taken care of. We have a lot of things not taken care of in terms of who we can bill.

DELINQUENT WATER BILLS

Mr. DIXON. Once again we have the whole issue of delinquent water bills. Mr. Miconi points out it was $38 million as of July 1992. It is constantly going up. The City Council Chairman talked about delinquencies in a lot of areas and water bills was one he cited. Are you able to do anything about collecting delinquent water bills?

Ms. FRANCIS. We have worked on that very hard this year

Mr. DIXON. But the delinquent amount keeps going up.

Ms. FRANCIS. Actually, what we did this year—we think we started off with $34 million in delinquencies. Then we examined what was in fact collectible. Some of it was uncollectible for a number of reasons, and some of it—we think we have about $22 million now. If we take away all of that which we think is uncollectible, we think it is down to about $22 million

Mr. SCOTT. We started with an amnesty program a couple of months ago in an attempt to bring that money down. The majority is associated with about 1,500 of our major four units or larger apartment complexes and we have attempted to go after that. We are hoping that the amnesty program will bring us money. It brought in around $4 million for 200 accounts.

Now we are working with the Office of the Corporation Counsel and we have on the books a loan that allows us to go into the courts to put those apartments under receivership and we are going to do that starting 1 July and target a certain number of apartments and see if we can't get the money that way.

Ms. FRANCIS. We have funded three lawyers and a paralegal to go after these accounts now. I want to point out while $4 million may not sound like a lot, there is a prior amnesty program where the city collected $500,000. We had promises of well over $6 million but the City Council decided they didn't want us to do the amnesty program. We are working very hard on it now.

Mr. DIXON. I don't have any other questions. Thank you very much for bringing us up to date. We will stand in recess for five minutes and then take up the budgets for the Department of Human Services and the D.C. General Hospital.

QUESTIONS FOR THE RECORD

I have some questions that I will submit for you to answer for the record.

[The Committee's questions and the Department's responses follow:]

DEPARTMENT OF PUBLIC WORKS
(GENERAL FUND)

QUESTION:
1. One of your major program changes is elimination of the "admit with explanation" plea on parking tickets. You go on to say this will save $600,000 in personal services expenses and provide the District with a $3.9 million increase in revenues in FY 1994 (OB-2PW).

a. I realize this change requires legislation by the Council, but how will this reduce your costs and at the same time increase your revenues by $3.9 million?

b. How will this affect the present system for someone who believes the ticket should not have been written in the first place?

ANSWER:
1a. The Department of Public Works could save $600,000 in personal services expenses through the reduction of staff who would otherwise be required to process parking tickets and minor moving violation tickets at the Bureau of Adjudication. In addition an anticipated $3.9 million dollar increase in revenues would result from collection of income previously unavailable because of the unlimited range of protests permitted under the "Admit With Explanation" plea. We are currently considering an alternative approach that would restrict responses to six separate categories and cause all other infractions to be paid after service of the ticket. The savings and revenue implications of this alternative approach are as yet unclear. It is proposed that respondents would be able to challenge an infraction if:

A. The respondent was not the owner, or lessee of the cited vehicle at the time of the violation;

B. The cited vehicle or its state registration plates were stolen at the time the violation occurred;

C. The relevant signs prohibiting or restricting parking were missing or obscured;

D. The relevant parking meter was inoperable or malfunctioned through no fault of respondent;

E. The facts alleged in the parking violation notice are erroneous; and

F. The cited vehicle was parked at the place and at the time stated on the Notice of Infraction due to the existence of the following exigent circumstances:

1. The onset of a life-threatening medical emergency involving an occupant or the driver of the vehicle;

2. A malfunctioning of the vehicle rendering it inoperable".

1b. The present system has no restrictions. Respondents may present any explanation. Many are unrelated to the ticket. Permissible categories of protest can be created to protect the response rights of all petitioners who have a valid excuse for their infractions while foreclosing others from presenting extraneous pleas.

QUESTION:
2. I notice you plan to contract out your streetlight and signal maintenance and thereby save $1,150,000 (OB-2PW).

ANSWER:
2. The services for streetlight and traffic signal maintenance are presently provided by PEPCO. By January 1, 1994, most of these services, with the exception of power supply, will be provided by the District, through private contractors. PEPCO presently utilizes private contractors to provide some of the services and adds its own overhead and profit to the contractors costs. It is anticipated that by hiring contractors directly, the District will save the cost of the PEPCO "mark-up". In addition, some economies will result from competition for the maintenance contracts. The District will also perform some services with in-house staff resulting in additional savings.

QUESTION:
3. One of your "Departmental Strategies" is to "move public works services that can be priced in the marketplace toward self-sufficiency" (e.g., profit center operation) (OB-2PW).

a. What is that all about, and how will the District benefit from that strategy?

ANSWER:
3a. This is an attempt to identify the true costs of services and impose a level of "market discipline" in service delivery by charging directly on a unit price basis and investing a portion of fees back in the operation. This approach is being investigated because we believe that for selected services it may lead to both

more efficient use of resources and better service. The department is currently determining which types of services are appropriate for this approach and plans to test it first on internal (to D.C. Government) support services before applying it to direct public services.

QUESTION:
4. In the conference report last year (House Report 102-906, p. 24), language was included directing the State Department and the District to work together to work out the collection of fines for parking infractions in the District by foreign diplomatic and consular vehicles.

The conferees further directed that an agreement be reached within 90 days of the enactment date of October 5, 1992 (which would be January 6, 1993).

Bill language which would have prohibited the use of any funds to register vehicles or renew operators' licenses for drivers with outstanding tickets was modified (at Mr. Regula's request) because we were assured that the problems would be resolved.

a. What has happened since last year? (Note: We received a one-page status report on May 25, 1993.) Have you collected very much of the delinquent balances?

b. What is the total amount owed as of the most recent reporting period?

ANSWER:
4. Representatives from the Department of State and the District of Columbia's Department of Public Works held meetings to address parking infractions incurred by members of diplomatic missions. They discussed procedures for the collection of parking fines issued to vehicles owned or operated by diplomats and their immediate staff. The Department of State forwarded a proposal which included criteria to allow for the withholding of motor vehicle privileges for vehicles registered with the Department of State Motor Vehicle Office (DMVO) when owners fail to pay outstanding parking tickets. The State Department also agreed to urge foreign missions to pay their outstanding tickets. The content of the agreement between the parties is that:

a. The DMVO will withhold registration renewal for any vehicle on which parking fines remain unpaid, based upon the electronic data provided by the District of Columbia to the DMVO, verified against the Department of State's data on diplomatic personnel and vehicles; and

b. The District of Columbia will report to the DMVO any vehicle that is registered with a local jurisdiction or that bears Department of State license plates lacking a current month/year decal. The Department of State will require payment of outstanding fines prior to registration of such vehicles with the DMVO.

The Department of Public Works will be permitted to tow vehicles bearing diplomatic mission tags if a vehicle is parked in violation of statutes or regulations which impact upon public safety.

The Department of State will continue its efforts, in coordination with the District of Columbia, to obtain payment of outstanding fines arising from the effective date of the proposed agreement.

In the three year period ending May 15, 1993, 6,220 diplomatic tickets were paid totaling $176,245. Data is not available as to what portion of that amount was paid in the past year.

For the three year period ending May 15, 1993, there were 116,565 unpaid diplomatic tickets totaling $6,240,434 including fines and penalties.

QUESTION:
5. What is the status of the planning for renovating the District building?

ANSWER:
5. A design for the complete renovation of the District Building was concluded three years ago. Since that time, there has been insufficient funds available to proceed with construction. However, a feasibility study is underway to address needed building safety code improvements.

QUESTION:
6. What is the current status of the Suitland Parkway rehabilitation project, and how has the status changed from last year -- has there been any slippage from last year as far as the schedule is concerned.

a. What is the total estimated cost?

ANSWER:
6. Bids were received in July, 1992 for a contract to rehabilitate Suitland Parkway from Pomeroy Road to the D.C. line. We anticipated award of the contract by late 1992. However, the contract was advertised with a 35% Disadvantaged Business Enterprise Goal (DBEG). In December, 1992, a Court ruling determined that the District's DBEG was unconstitutional, and projects with high DBEG

which had not been executed prior to the Court ruling were held in abeyance. The District petitioned the Court for the right to award contracts which were bid prior to the ruling on the DBEG. In April, 1993, the Court granted the District's request. The contract to rehabilitate Suitland Parkway is expected to be awarded by mid-summer 1993.

6a. The total estimated construction cost is $7 million. It will take approximately 24 months to complete the project.

QUESTION:
7. What is the situation concerning the reconstruction of the Southeast-Southwest Freeway?

ANSWER:
7. There are two sections of the freeway which require renovation as follows:

Case Memorial Bridge over the Washington Channel, S.W.

The award of the contract for complete renovation of the Case Memorial Bridge was delayed due to the impact of the recent court decision concerning the District's Disadvantaged Business Enterprise Goal (DBEG). This project was advertised with a 35% DBEG, which the court had ruled unconstitutional. The District petitioned the Court for the right to award contracts which were bid prior to the ruling on the DBEG. In April, 1993, the Court granted the District's request. The contract has been awarded and construction is scheduled to begin in August, 1993 and be completed by late 1994 at an estimated construction cost of $18.5 million.

Southeast Freeway, from 2nd Street, S.E. to 11th Street, S.E.

The design of this section was impacted by community concerns about the treatment of the on-ramp at 3rd Street, S.E. A solution to the problem which satisfies the community concerns has been developed and the design is progressing. It is anticipated that construction on this section will begin by late 1994 and be completed by early 1996 at an estimated construction cost of $10 to $15 million.

QUESTION:
8. What is the status of the Barney Circle project?

a. When will construction of the Barney Circle be completed, and what is the estimated total cost?

ANSWER:
8. The designs for the Barney Circle Freeway modification project are nearly complete. Community meetings are scheduled to present the project to the residents of the District and hear their views on it. Tentatively construction will start in early 1994 and

will require three (3) years to complete, at an estimated construction cost of approximately $200 million.

QUESTION:
9. What is the status of the District's trash recycling program?

ANSWER:
9. The District achieved city-wide curbside collection of recyclables in March, 1993. It is estimated that the participation rate of the 100,000 households receiving this service is 75%. In addition, the Department of Public Works continues to operate five (5) Saturday drop-off locations around the city. In July, 1993, a Household Hazardous Waste collection event was held during which over 18,000 pounds of material was received.

In addition, the District entered into a contract for the operation of its Material Recovery Facility (MRF) in February, 1993. This facility receives and markets all the curbside recyclables (newspapers, cardboard, magazines, glass, metal and plastic) collected by the District.

The District is planning to expand the recycling program to include all District buildings, schools, and public housing facilities by January 1, 1994.

QUESTION:
10. Please provide for the record the number of vehicles your department is responsible for and how many are taken home by employees?

a. Please provide for the record the number of passenger vehicles and light trucks as of April 30, 1993.

ANSWER:
10. The Department of Public Works (DPW) is responsible for providing maintenance, and other support services for 4,180 District owned and operated vehicles.

Authorization for take home vehicles is discretionary for each District department/agency with no oversight by DPW. DPW employees use a total of 35 vehicles to and from domicile.

The passenger vehicle and light truck fleet totaled 2,218 as of April 30. 1993.

QUESTION:
11. What is the situation regarding the safety barriers on the Duke Ellington Bridge?

ANSWER:
11. The rehabilitation of the Duke Ellington Memorial Bridge has been completed with safety barriers.

QUESTION:
12. The Committee understands that the Lorton landfill will reach capacity and close in 1995. Has the life expectancy changed in the past year?

a. What plans have been made to use alternative disposal means to (1) contribute to extension of the life of the Lorton landfill and (2) find alternatives for the District's refuse when the Lorton landfill can no longer be used?

ANSWER:
12. The life expectancy of the Lorton landfill has not changed. It is scheduled to close in December, 1995. This date was established by the Waste Disposal Act of 1991, which is part of the Federal Facilities Compliance Act of 1991. However, the actual capacity of the Lorton landfill extends well beyond the 1995 closure date.

12a. The District is currently developing a Comprehensive Solid Waste Management Plan to provide strategies to increase recycling and waste reduction activities. The plan also investigates alternative regional and private sector disposal options. This plan is scheduled to be completed in December, 1993.

DEPARTMENT OF PUBLIC WORKS
WATER AND SEWER UTILITY FUND

QUESTION:
1. The D.C. Auditor back in February of this year issued a report on the use of funds in the water and sewer enterprise fund (see article in Washington Post dated March 7, 1993).

According to the press, more than $54 million was spent to cover expenses -- ranging from snow removal to the salary of a "housekeeper" aide for Mayor Sharon Pratt Kelly -- that should have been paid for out of the city's general fund.

a. Please explain which of the issues raised by the Auditor were addressed by your department and which ones were not addressed?

ANSWER:
1a. No positions that are staff to the mayor are currently being funded out of the enterprise fund. The larger issues regarding the use of the enterprise fund are being examined at the level of the City Administrator and Chief Financial Officer. These uses represent historical practice. Altering them would require major policy and structural changes, phased in over a number of years. Attempting to alter them in the short run without structural change would disrupt services to the public and have severe financial consequences for District Government.

QUESTION:
2. In FY 1981, the delinquent balance for water bills was $10 million (p. 1983, part 2, FY 1981 D.C. hearings).

Five years ago, the delinquent balance for water-sewer billings was $27 million, and the growth of almost $5 million between 1986 and 1987 occurred primarily in the apartment building portion of the customer based (page 2564 of FY 1988 hearings).

In the FY 1989 hearings, the delinquent balance was $27.4 million (p. 2734d, vol. 2, FY 1989 D.C. hearings).

In the FY 1990 hearings, the record shows the delinquent balance as $30.4 million or $3 million higher than the previous year (p. 1889, part 2, FY 1990 D.C. hearings).

In response to a question for the record in FY 1991 (pp.1733-1734, part 2, FY 1991 D.C. hearings), the department stated that a delinquent balance as of May 31, 1990, was $30,073,429.

Two years ago, the delinquent balance was $32.7 million as of May 31, 1991 (p. 4472, part 3, FY 1992 D.C. hearings). That is an increase of $2.7 million.

Last year, the delinquent balance was $38.4 million as of July 1992 (p. 3776, part 3, FY 1993 D.C. hearings). That is an increase of $5.7 million.

a. Has the situation improved any since last year -- what is the current delinquent balance?

ANSWER:
2. The current delinquent balance is $34.8 million.

We continue to experience difficulties in collecting delinquent water and sewer charges from owners of master-metered apartment buildings. The District has implemented an intensive collection program designed to reduce the delinquent balance and curtail the annual rate of growth of the delinquency.

The Office of the Corporation Counsel will be vigorously pursuing the owners of these buildings, through litigation to collect the delinquent charges. These efforts are designed to reduce the outstanding balance. In addition, many of these buildings may be put into receivership. Although the receivership program may not eradicate the delinquency balance, it will stop the continual growth of the delinquency.

QUESTION:
3. Please provide a breakout of the unpaid water bills in the following categories:

a. District government agencies and entities (including independent agencies);

b. Landlords of apartment buildings with four or more units;

c. Condominium and cooperative associations; and

d. Single family units.

ANSWER:
3a. There are no unpaid water bills owned by District government agencies and entities.

3b. There are 1,881 master-metered apartment buildings (four or more units) that have unpaid water bills totalling $32,415,024.00.

3c. There are 47 condominiums and cooperative associations that have unpaid water bills totalling $318,446.39. Although it is the District's policy to terminate service at condominiums and cooperatives, the majority of these properties do not have delinquent balances that have aged to the point that they are subject to termination.

3d. There are 9,937 single family dwellings with unpaid water bills, totalling $2,062,353.00. The District does terminate service to single family dwellings. However, the majority of these bills have not been delinquent for the prescribed period, 50 days, required to terminate service.

QUESTION:
4. For the ten owing the largest amounts in each of the first three categories, please provide the name, location, amount owed, and a summary of the District's collection efforts along with the date the last collection effort was made.

ANSWER:
4a. There are no unpaid water bills for government agencies or entities.

4b. Please see attached chart on the following page.

4c. Please see attached chart on the following page.

Answer 4b.

Agent/Owner Name	Service Address	Outstanding Balance	Collection Action Summary
Linda Pollin Memorial	800-826 Bellevue Street, S.E.	$1,237,188.88	Property and owners have been subjected to all available collection activity--property lien assessed, auctioned at tax sale, and sent to D.C. Office of Corporation Counsel for litigation. Owners have been proposed a settlement offer that is being reviewed by Office of Corporation Counsel.
Edgewood Terrace	601 Edgewood Street, N.E.	$1,166,798.51	Property and owners have been subjected to all available collection activity--property lien assessed, auctioned at tax sale, and sent to D.C. Office of Corporation Counsel for litigation.
Stanton Hill Apartments	3040-3098 Stanton Road, S.E.	$1,033,538.20	Property and owners have been subjected to all available collection activity--property lien assessed, auctioned at tax sale, and sent to D.C. Office of Corporation Counsel for litigation.
Forest Ridge/Vistas	2402-2424 Elvans Road, S.E.	$917,157.94	Property and owners have been subjected to all available collection activity--property lien assessed, auctioned at tax sale, and sent to D.C. Office of Corporation Counsel for litigation. Owners have been proposed a settlement offer that is being reviewed by Office of Corporation Counsel.

Answer:
4b. cont.: Landlords of apartment buildings with four or more units.

Agent/Owner Name	Service Address	Outstanding Balance	Collection Action Summary
Suitland Parkway Overlook Apartments	2700-2762 Shipley Terrace, S.E.	$898,693.10	Owners have filed bankruptcy petition with Court. We received notice of petition on June 1, 1993.
H & M Enterprises	1629 Columbia Road, N.W.	$742,187.37	Property and owners have been subjected to all available collection activity--property lien assessed, auctioned at tax sale, and sent to D.C. Office of Corporation Counsel for litigation. Judgement was entered on March 1, 1993 in the amount of $700,000.00.
Parkway Overlook E & W	2701-2715 Robinson Place, S.E.	$455,595.91	Property and owners have been subjected to all available collection activity--property lien assessed, auctioned at tax sale, and sent to D.C. Office of Corporation Counsel for litigation.
H & M Enterprises	3132 16th Street, N.W.	$360,825.18	Property and owners have been subjected to all available collection activity--property lien assessed, auctioned at tax sale, and sent to D.C. Office of Corporation Counsel for litigation.

Answer:
4b. Landlords of apartment buildings with four or more units.

Agent/Owner Name	Service Address	Outstanding Balance	Collection Action Summary
Forest Ridge/Vistas	2551-2557 Elvans Road, S.E.	$334,205.48	Property and owners have been subjected to all available collection activity--property lien assessed, auctioned at tax sale, and sent to D.C. Office of Corporation Counsel for litigation settlement.
NRM Associates, Inc.	5403-5411 D Street, S.E.	$275,124.07	Property and owners have been subjected to all available collection activity--property lien assessed, auctioned at tax sale, and sent to D. C. Office of Corporation Counsel for litigation settlement.

Answer:
4c.

Exhibit B

Agent/Owner Name	Service Address	Outstanding Balance	Collection Action Summary
Suburban Village	5000-5026 Just Street, N.E.	$114,622.25	Property and owners have been subjected to all available collection activity--property lien assessed, auctioned at tax sale, and sent to D.C. Office of Corporation Counsel for litigation. Owners have been proposed a settlement offer that is being reviewed by Office of Corporation Counsel.
D.C. Mutual Housing	18 Danbury Street, S.W.	$66,390.57	Property and owners have been subjected Association to all available collection activity--property lien assessed, auctioned at tax sale, and sent to D.C. Office of Corporation Counsel for litigation. Owners have been proposed a settlement offer that is being reviewed by Office of Corporation Counsel.

Answer:
4c cont.

Agent/Owner Name	Service Address	Outstanding Balance	Collection Action Summary
Concord Realty	4811 Minnesota Avenue, N.E.	$29,501.59	Property and owners have been subjected to all available collection activity--property lien assessed, auctioned at tax sale, and sent to D.C. Office of Corporation Counsel for litigation District won judgement against owners they are paying in accordance with negotiated installment agreement.
Columbia Road Condo.	1421 Columbia Road, N.W.	$18,292.92	Property and owners have been subjected all available collection activity--property lien assessed, auctioned at tax sale, and sent to D.C. Office of Corporation Counsel for litigation. Owners have been proposed a settlement offer that is being reviewed by Office of Corporation Counsel.
Suburban Village	4921-4947 Just Street, N.E.	$18,216.95	Service is scheduled for termination August 13, 1993.

Answer:
4c cont.

Agent/Owner Name	Service Address	Outstanding Balance	Collection Action Summary
J. Kyle Enterprises	3933 13th Street, S.E.	$9,311.88	Property and owners have been subjected to all available collection activity--property lien assessed, auctioned at tax sale, and sent to D.C. Office of Corporation Counsel for litigation. Owners have been proposed a settlement offer that is being reviewed by Office of Corporation Counsel.
Suburban Village	5033-5065 Sheriff Road, N.E.	$7,503.06	Property and owners have been subjected to all available collection activity--property lien assessed, auctioned at tax sale, and sent to D.C. Office of Corporation Counsel for litigation. Owners have been proposed a settlement offer that is being reviewed by Office of Corporation Counsel.
Ms. Consuelo Newman	1822 15th Street, N.W.	$5,537.02	Service is scheduled for termination on September 4, 1993.
Carson Properties	1495 Newton Street, N.W.	$2,756.43	Real Property lien has been assessed. Customer is making monthly payments to satisfy outstanding debt.

Suburban Village	**5001-5031 Sheriff Road, N.E.**	**$8,945.74**	**Property and owners have been subjected to all available collection activity--property lien assessed, auctioned at tax sale, and sent to D. C. Office of Corporation Counsel for litigation. Owners have been proposed a settlement offer that is being reviewed by Office of Corporation Counsel.**

D.C. Taxicab Commission

Agency Overview

Mission

The mission of the D. C. Taxicab Commission is to ensure that the public is provided with safe and reliable taxicab and other transportation service through the regulation of the public vehicle-for-hire industry in the District of Columbia.

Agency Description

The commission exercises regulatory authority, oversight and enforcement of the public vehicles-for-hire industry through a two paneled, thirteen member, full commission and the Office of Taxicabs. The Panel on Rates and Rules (PRR) promulgates fares and rules and the Panel on Adjudication (POA), assisted by adjudication personnel, sits for hearings. The work of the commission is carried-out by the following major programs:

- Complaints and Adjudication - hearings of citizen complaints, license denials, and ticket/license appeals.

- Testing, Licensing, Permits and Enforcement - applicant testing, licenses/permits issuance, and enforcement of laws and regulations.

Agency Budget Summary

FY 1994: The appropriated budget request for FY 1994 is $1,592,000 and 33 FTE's and 12 part-time commissioners, an increase of $78,000, from the revised FY 1993 budget and an increase of $16,000 from the approved FY 1993 budget.

FY 1993 Revised: The FY 1993 revised budget request is $1,514,070 and 33 FTE positions, a decrease of $61,930 from the approved FY 1993 budget.

Major changes include:

- Increases for health benefits of $12,000 in FY 1994 and $5,000 in FY 1993 and an increase in FY 1994 of $4,000 for space rental;

- Reductions in FY 1993 of $41,000 for the employee furlough and $10,000 for within grade deferral;

- Reductions in FY 1993 for term employment salaries of $5,000 and professional services $10,000.

Additionally, other funds estimated at $452,000 for FY 1993 and FY 1994 are used for special purposes, the largest being the assessment fund for which expenditures are estimated to be $400,000 for both years.

D.C. Taxicab Commission

Budget Strategy & Impacts

Strategy: Directed to become self-sustaining and independent of the District's general fund by the end of FY 1994, the commission will raise additional revenue by increasing various user fees; obtaining collection authority for outstanding fines; continuing payment plan activities; achieving full scale booting, towing and impoundment activities; and developing a plan for collection of fees for all out-of state tour buses.

Impacts: Programs will not be greatly affected based on the proposed revised FY 1993 and the proposed FY 1994 budgets with timely commission approval and implementation of the foregoing strategies for self-sufficiency. If timely implementation does not occur, program support for necessary items such as vehicles, postage, and supplies, will continue at current minimal levels.

Table I **Agency Staffing and Funding Detail**

Programs	Staffing (FTE Positions)				Funding			
	FY92 Actual	FY93 Budget	FY93 Revised	FY94 Proposed	FY92 Actual	FY93 Budget	FY93 Revised	FY94 Proposed
Commission Members	0.0	0.0	0.0	0.0	69,100	84,000	84,000	84,000
Office of Taxicabs	27.1	33.0	33.0	33.0	1,592,351	1,764,000	1,882,070	1,960,000
Total Agency	27.1	33.0	33.0	33.0	1,661,451	1,848,000	1,966,070	2,044,000
Appropriated Funds	27.1	33.0	33.0	33.0	1,423,362	1,576,000	1,514,070	1,592,000
Federal Funds	0.0	0.0	0.0	0.0	0	0	0	0
Intra-District Funds	0.0	0.0	0.0	0.0	0	0	0	0
Other Funds	0.0	0.0	0.0	0.0	238,089	272,000	452,000	452,000

Table II **Agency Outputs**

Measures	FY 1991	FY 1992	FY 1993	FY 1994
Citizen Complaints Received	775	617	600	600
Citizen Complaints Adjudicated	741	396	400	400
Tickets Adjudicated	3585	2863	3600	3600
Exams Administered	2536	2285	2500	2500
Taxi/Limo ID Issued	4923	5353	5450	5400
DCTC & Sightseeing Licenses Issued	12490	16236	16100	16100
Vehicle Tag Renewals	6900	6486	7000	7000
Weekly Insurance Stickers	410265	375838	416000	416000
Tickets Issued	6400	1827	6000	6000
Vehicle Inspections	13822	3310	12500	12500

D.C. Taxicab Commission

Table V **Agency Appropriated Summary by Expenditure Type**

Expenditure Type	Staffing (FTE)				Funding			
	FY 92 Actual	FY 93 Budget	FY 93 Revised	FY 94 Proposed	FY 92 Actual	FY 93 Budget	FY 93 Revised	FY 94 Proposed
Personal Services								
Regular Pay	23.6	23.0	31.0	31.0	825,331	829,000	924,070	963,000
Other Pay	3.5	10.0	2.0	2.0	103,600	233,000	76,000	76,000
Additional Gross Pay	0.0	0.0	0.0	0.0	39,731	13,000	13,000	13,000
Fringe Benefits	0.0	0.0	0.0	0.0	137,741	143,000	148,000	178,000
Total Personal Services	27.1	33.0	33.0	33.0	1,106,403	1,218,000	1,161,070	1,230,000
NonPersonal Services								
Supplies					12,264	15,000	15,000	15,000
Energy					0	0	0	0
Communications					28,016	24,000	24,000	24,000
Building Rent					150,074	151,000	151,000	155,000
Other Services & Charges					111,813	147,000	142,000	147,000
Subsidies & Transfers					0	0	0	0
Equipment					14,792	21,000	21,000	21,000
Total NonPersonal Services					316,959	358,000	353,000	362,000
TOTAL AGENCY	27.1	33.0	33.0	33.0	1,423,362	1,576,000	1,514,070	1,592,000

THE D.C. TAXICAB COMMISSION, FY 1993
OPENING STATEMENT
June 1993

Good afternoon Chairman Dixon. Members of the committee. I am Karen Jones Herbert, Chairperson of the D.C. Taxicab Commission. Thank you for this opportunity to report on the work of the District of Columbia Taxicab Commission (DCTC).

The taxicab and limousine industry plays a vital role in transportation, tourism and in the economy of the District of Columbia. The D.C. Taxicab Commission was created six years ago to bring order to the industry which had expanded beyond the capabilities of the scattered regulatory mechanisms then in place. While much has been accomplished toward achieving its regulatory mandate, significant challenges still confront the Taxicab Commission.

I would like to report to you on the commission's budget for the 1993 and 1994 budget years. As incoming chairperson for the Taxicab Commission -- since April 1993 -- I also want to highlight some of my priorities, plans and initiatives, and report briefly on agency activity during the past year.

Budget

The current FY 1993 supplemental budget request for the D.C. Taxicab Commission is $1,514,000 and 33 full-time positions which is a $62,000 decrease from the approved FY 1993 budget of $1,576,000.

Next year's FY 1994 budget request of $1,592,000 and 33 positions has been revised to $1,481,450 and 32 positions. This is a decrease of one full-time position and $32,550 from the FY 1993 supplemental budget request.

In the previous fiscal year, FY 1992, the commission generated $1,177,000 -- $596,000 by licensing drivers and $581,000 by licensing vehicles. The total revenue generated by the commission was 75% of its appropriated budget for that year. In addition, another $370,550 of potential revenue was generated by the issuance of tickets for infractions of commission regulations.

Priorities

Mayor Sharon Pratt Kelly has mandated that the Taxicab Commission achieve financial self-sufficiency and independence from the

general fund by the end of 1994. In FY 1992 the agency achieved 75% of that goal. Achievement of full financial self-sufficiency by the targeted date is one of my highest priorities. Other top priorities are to eliminate unlicensed taxicab operators and vehicles from the streets of the District, strengthen enforcement of commission rules and regulations on an industry-wide basis, and realign administrative procedures and personnel to attain these goals.

Self-Sufficiency

The commission envisions a viable vehicle-for-hire industry that will bear the costs of regulation like its counterparts in all other major cities in the nation. Several strategies for a self-sufficient Taxicab Commission are being pursued. Outdated charges for licensing, enforcement, and fees for services are being reviewed and revised. Some services for which there was previously no charge are now subject to fees proportional to the actual costs of providing them. For example: a $25 special-event permit generated $27,500 from 1,100 out-of-state limousines during the presidential inaugural activities; and a payment plan for licensed drivers is enabling the commission to collect thousands of dollars in unpaid hack tickets.

Business licenses for public-vehicle companies and administrative fees for issuance of insurance stickers are in line to be considered for implementation, as are fees for out-of-state tour busses. Expanded collection authority, changes in inter-agency accounting policies, new rules and regulations -- even legislation -- may be necessary to fully implement requisite revenue generating strategies.

Unlicensed Drivers

Unlicensed taxicab operators have a callous disregard for District law and commission regulations. They are uninsured and have not been cleared by FBI and metropolitan police background checks. Illegal hackers are responsible for at least one third of all citizen complaints, and they compete unfairly with licensed drivers. Unlicensed hacking is considered by many to be the number one enforcement problem facing the commission.

The "District of Columbia Taxicab and Passenger Vehicle for Hire Impoundment and Removal Act of 1991," which became effective March 16, 1993 targets unlicensed drivers and vehicles. The law authorizes hack inspectors, police officers and other law enforcement officers to impound, boot or tow taxicabs when the vehicles or their operators are unlicensed or have multiple unpaid hack violations.

The commission considers passage of the booting and towing legislation a giant step toward solving the problem of unlicensed hackers. The law also mandates immediate hearings and appeal rights

for those affected. However, the legislation does not underwrite the costs of the program. The commission will consider contracting out the booting and towing functions and establishing a penalty structure that will recover the remaining costs.

In past reports, National Airport has been described as a haven for unlicensed drivers. The chairperson recently testified at a hearing in support of new regulations designed to correct that situation. National Airport will soon require a separate license with stringent standards for drivers and vehicles which pick up passengers at that facility.

Enforcement

Hack inspectors are the commission's civilian, unarmed, on-the-street enforcement team. Since April, hack inspectors have worked under the daily supervision of the chairperson. They have been issued new uniforms and new patrol vehicles, and have been re-deployed so their work shifts now include evening and weekend hours -- peak periods for hack violations. One benefit of the expanded hours is that taxicab enforcement specialists can routinely work with Metropolitan Police and U.S. Park Police to conduct initiatives, like roadblocks, during the hours they can be most effective. Additionally, one hack inspector will work full-time with U.S. Capitol Police to enhance enforcement on Capitol Hill which attracts a large volume of taxicab business.

In conjunction with other D.C. Government agencies and with the cooperation of Councilmember Harry Thomas, hack inspectors are also conducting initiatives against taxicab companies in response to complaints of multiple violations of fire, littering, and health regulations in addition to taxicab infractions. Flagrant offenders have been forced to clean up or close down.

The agency currently operates with nine hack inspectors - three short of the mandated minimum of twelve. This includes the position of Hack Inspector Supervisor which is currently unfilled because of a hiring freeze. It is projected that enforcement effectiveness and revenue generation will increase by at least 50% when the Hack Supervisor and at least two additional inspector positions are filled. An upgraded two-way radio communications system would provide on-the-spot driver I.D.'s to enforcement personnel in the street. Means to provide this essential support system are also being sought.

Counterfeit "faces" and bootleg insurance stickers are products of criminal activity which seriously undermine the effectiveness of regulatory mechanisms. The commission is reviewing its internal procedures to tighten security and implement more stringent checks for license certifications. The agency will also look at ways to make its licenses more difficult to counterfeit.

Administration and Personnel

With 32 employees the Taxicab Commission may be considered a small agency. However, the agency is currently operating with a staff of only 30. The hiring freeze has delayed the employment of a hack supervisor. In addition, another employee is on administrative leave. The matter is under review as part of a larger, internal-affairs investigation and awaits the outcome of the ongoing probe.

It is therefore essential that each employee achieve a high level of productivity. The chairperson is reviewing and rethinking all administrative procedures and personnel assignments. No program will be exempt from administrative streamlining: the annual ordeal of renewing 7,000 taxicab vehicle tags during March; the lengthy and complex procedures for licensing operators of public vehicles-for-hire; the discouraging process for pursuing citizen complaints will be among the first given stringent scrutiny. All programs are being recast with public service and problem solving outcomes in mind.

Accomplishments in FY 1993

Taxicab Rates and Fare System

Currently there is an intense public debate about the relative merits of a metered or zone based taxicab fare system. Congress has mandated that the commission recommend an equitable fare determination system for the District (meters and/or zones). Proposals to conduct a comprehensive study to determine both the best fare system for the District and a methodology for setting rates are currently being accepted. At this stage no definitive date has been set for selecting the proposal or completing the study. However, the commission projects results before the end of the next fiscal year in September 1994.

DCTC Computer Network

The computer network is the foundation of licensing, testing, complaints, accounting, and budgeting functions. At present the DCTC system, though competent, is not state-of-the-art and has limited capacity for growth. In FY 1993 the agency was fortunate to hire a capable computer programmer who has maximized the system with selected low-budget purchases and skillful programming. The network has been secured against unauthorized use. Vehicle licensing and applicant testing procedures have been simplified. Adjudication, correspondence, enforcement, telephone answering and the taxicab industry data base are in line for additional computer support.

Clean Air Taxicabs

The commission has approved the operation of a natural gas taxicab company in the District of Columbia -- a first for the nation. Six natural-gas-powered vehicles are expected to begin operating in the streets of Washington in August of 1993.

Application for approval of the low-pollution fleet was received in December, 1992. A single pilot vehicle was approved by the commission in January 1993 -- in time for the taxicab to be driven in the Inaugural Parade. The go-ahead for full company operations came six months later. Commissioners met long hours, talked with company owners and consulted experts on the proposed fuel system. In the end, they were successful in resolving concerns about the safety of the new technology and in ensuring that the color scheme and markings of the new company are distinctive and not confusing to riders or law enforcement officers. The commission's action is a significant attempt to meet requirements of the Clean Air Act. It sets a precedent for phasing alternative fuel vehicles into all taxicab fleets in the nation's capitol.

FY 1992 Statistics

In FY 1992 the commission licensed in rounded figures a total of 10,000 drivers in the District and 7,500 taxicabs. The Office of Taxicabs -- the licensing arm of the agency -- issued approximately 5,000 two-year driver licenses and processed a workload of 16,236 vehicle license matters.

Hack inspectors issued 1,827 tickets, a low figure resulting from the hiring freeze and from inspectors being diverted to administrative assignments, police department details and applicant testing.

During FY 1992, 617 citizen complaints were received, of which 442 were resolved by the Panel on Adjudication. The remaining complaints were resolved administratively and a small working balance was transferred to the FY 1993 work load.

In conjunction with its hearing examiners the Panel also resolved 2,801 ticket matters. Processing time has remained at a reduced level since FY 1990 allowing the Panel to focus on other areas of enforcement. The newly approved impoundment legislation will impact the Hearings Division with increased demands and shorter time for conduct of hearings.

Conclusion

Chairman Dixon, members of the committee, thank you for your attention. I will be happy to answer any questions you may have at this time.

QUESTIONS FOR THE RECORD

[The Committee submitted questions in writing to the Commission for response for the record. The Committee's questions and the Commission's responses follow:]

DISTRICT OF COLUMBIA TAXICAB COMMISSION

QUESTION:
1. In last year's report (excerpt attached), the Committee requested the Commission to consider whether regulations should be adopted regarding air circulation in cabs.

a. Please explain what the Commission has done regarding this request.

ANSWER:
1.a. Title 31 District of Columbia Municipal Regulations (Taxicabs and Public Vehicles for Hire) section 822.9 provides, in part, that:

> The operation of taxicabs shall be conducted in accordance with the laws of the District and with due regard for the safety, comfort and convenience of passengers.... (Emphasis added.)

The Commission has carefully considered the Committee's request and proffers that the language of section 822.9 requires the operator of the taxicab to operate the vehicle in such a manner that the passenger's safety, comfort, convenience and well being will always be given due consideration and shall be given preference. The rule, as adopted, allows the Commission the latitude to determine, on a case-by-case basis, whether a passenger's request for specific action by the operator, irrespective of what the request may be, is reasonable. Should the Commission after a hearing determine that the operator did not comply with a reasonable request of the passenger to promote safety, comfort and convenience, the Commission is authorized to impose a fine of up to five hundred dollars ($500), suspend and/or revoke the operator's license. Therefore, the language of section 822.9 governs, among other things, adequate air circulation in taxicabs for the comfort of passengers.

In addition, the Commission submits that it would be administratively inefficient to adopt a specific rule for each and every particular concern of passengers.

QUESTION:
2. As a result of the enactment of the Energy Policy Act of 1992, a variety of agencies within the Federal Government have been pursuing policies designed to increase the use of alternative fuels. The Clinton Administration has made the increased use of alternative fuels a cornerstone of its energy and environmental policies. For example, the President recently issued an executive order on alternative fuels to establish the Federal Government as the leader in increasing the availability of both alternative fuel vehicles and fuel supplies. The President also has created a Federal Fleet conversion Task Force to assist in the implementation of this executive order.

The Committee understands that Mayor Kelly is committed to increasing the use of alternative fuels in the D.C. Government's fleet of vehicles.

The Taxicab Commission, appears to be in a unique position to be an advocate for alternative fuels since it oversees thousands of vehicles, many of which are fleet vehicles that may be suited for alternative fuels. Also, the taxicabs in the District of Columbia are extremely visible to everyone including visitors to the nation's capital as well as to the hundreds of policy makers in the congressional and executive branches of the Federal government.

a. What programs have you initiated to encourage the use of alternative fuels by taxicabs in the District of Columbia?

b. Have you taken any action which would impair the use of alternative fuels in taxi cabs operating in the District of Columbia?

ANSWER:
2.a. The Commission granted operating authority to the first taxicab company in the nation whose fleet will be comprised of vehicles that operate solely on compressed natural gas. In its approval the Commission also authorized the company, Clean Air Cab, as part of its color scheme to display on the vehicles the phrase "Powered By Clean Natural Gas." In addition, as part of the approval process, the principals of Clean Air Cab have committed to developing a natural gas conversion center and fueling station in the District of Columbia and to assist other taxicab operators in converting their fleets to use natural gas.

2.b. The Commission is in full support of the use of alternative fuels in taxicabs in the District and has taken no action to impair the use of alternative fuels.

Washington Metropolitan Area Transit Commission

Agency Overview

Mission

The mission of the Washington Metropolitan Area Transit Commission is to ensure that the public is provided with safe and reliable transportation services through the regulation of the private interstate vehicle-for-hire industry serving the region.

Agency Description

The Commission administers the operating authority, rates, and insurance for privately-owned, for-hire passenger carriers in the Washington Metropolitan Area Transit District. One member is appointed from the Public Service Commission by the Mayor, and Maryland and Virginia appoint one member each. The Transit District includes the District of Columbia; the cities of Alexandria and Falls Church, Arlington County and Fairfax County of Virginia, and Dulles Airport; Montgomery and Prince George's Counties of Maryland, and all other cities now or hereafter existing within those jurisdictions. The Commission's work involves:

- Issuance of operating authority to qualified applicants, as consistent with the public interest;
- Issuing and enforcing regulations governing passenger carriers;
- Administration and enforcement of legislative requirements at the administrative level and, as necessary, in the courts;
- Maintenance of public records on operating authority, tariffs, insurance, and other regulatory requirements;
- Prescribing interstate taxicab rates and regulations, providing telephone information service concerning those rates, and informal complaint investigation and resolution.

Agency Budget Summary

FY 1994: The Commission's FY 1994 budget from the District of Columbia is $96,000, the same as approved for FY 1993. The Commission's total budget of $480,000 is shared among the District of Columbia, Maryland and Virginia according to a formula established by statute which is based on population data from the Bureau of the Census.

FY 1993 Revised: The Commission's budget from the District of Columbia remains unchanged for FY 1993.

Budget Strategy and Impacts

Strategy: The workload and service demands of the Commission will continue to rise in FY 1994 as the number of certificated carriers is expected to increase and the related oversight of tariffs, insurance, and other regulatory requirements increases. Written complaints and telephone inquiries on interstate taxicab rates have also increased.

Washington Metropolitan Area Transit Commission

Impact: The Commission will handle the increased workload with existing resources through priority management of the work flow to meet schedules and filing dates.

Table I **Agency Staffing and Funding Detail**

Programs	Staffing (FTE Positions)				Funding			
	FY92 Actual	FY93 Budget	FY93 Revised	FY94 Proposed	FY92 Actual	FY93 Budget	FY93 Revised	FY94 Proposed
Wash. Metro. Area Transit Commission	0.0	0.0	0.0	0.0	96,000	96,000	96,000	96,000
Total Agency	0.0	0.0	0.0	0.0	96,000	96,000	96,000	96,000
Appropriated Funds	0.0	0.0	0.0	0.0	96,000	96,000	96,000	96,000
Federal Funds	0.0	0.0	0.0	0.0	0	0	0	0
Intra-District Funds	0.0	0.0	0.0	0.0	0	0	0	0
Other Funds	0.0	0.0	0.0	0.0	0	0	0	0

Table II **Agency Outputs**

Measures	FY 1991	FY 1992	FY 1993	FY 1994
Formal Orders Issued	261	177	180	190
Certificated Passenger Carriers	100	117	125	135
Written Complaints Investigated	175	259	250	225

Table III **Agency Appropriated Summary by Expenditure Type**

Expenditure Type	Staffing (FTE)				Funding			
	FY 92 Actual	FY 93 Budget	FY 93 Revised	FY 94 Proposed	FY 92 Actual	FY 93 Budget	FY 93 Revised	FY 94 Proposed
Personal Services								
Regular Pay	0.0	0.0	0.0	0.0	0	0	0	0
Other Pay	0.0	0.0	0.0	0.0	0	0	0	0
Additional Gross Pay	0.0	0.0	0.0	0.0	0	0	0	0
Fringe Benefits	0.0	0.0	0.0	0.0	0	0	0	0
Total Personal Services	0.0	0.0	0.0	0.0	0	0	0	0
NonPersonal Services								
Supplies					0	0	0	0
Energy					0	0	0	0
Communications					0	0	0	0
Building Rent					0	0	0	0
Other Services & Charges					0	0	0	0
Subsidies & Transfers					96,000	96,000	96,000	96,000
Equipment					0	0	0	0
Total NonPersonal Services					96,000	96,000	96,000	96,000
TOTAL AGENCY								

Before the
House Subcommittee on District of Columbia Appropriations

Statement of
William H. McGilvery, Executive Director
Washington Metropolitan Area Transit Commission

The Washington Metropolitan Area Transit Commission regulates privately-owned carriers that transport passengers for hire in the Washington Metropolitan Area Transit District, which includes the District of Columbia and neighboring jurisdictions in Maryland and Virginia. In addition, the Commission regulates the interstate rates for taxicabs that transport passengers between jurisdictions in the Metropolitan District.

The Commission has performed these functions on a regional basis since 1961. Effective in February 1991 the legislatures of the District of Columbia, Maryland, and Virginia, with the approval of Congress, revised the Commission's enabling legislation, an interstate compact. The effect of the amendment is to facilitate market entry by privately-owned passenger carriers, and to grant broader operating authority to these businesses. The result has been to increase the number of fit and responsible carriers authorized to conduct business in the Metropolitan District.

The budget of the Commission is shared by the District of Columbia, Maryland, and Virginia on the basis of Bureau of the Census data for the Metropolitan District. The Commission's total budget for FY1994 is $480,000 which is the same as its FY1993 and FY1992 budgets. The District of Columbia current share of the Commission's budget is $96,000.

Washington Metropolitan Area Transit Authority

Agency Overview

Mission

The mission of the Washington Metropolitan Area Transit Authority (WMATA) is to provide safe, convenient, and cost-efficient mass transit service within the District of Columbia and throughout the Washington Metropolitan Area.

Agency Description

The Authority was created in 1967 through an interstate compact among the District of Columbia, the State of Maryland, and the Commonwealth of Virginia. A Board of Directors comprised of two Directors from each of the three States governs the affairs of the Authority. Regarding District operations, the Authority's responsibilities include operations and administration of the system, the establishment of recommended fares, and the determination of funding sources related to the following operations:

- The District Metrobus Operation which provides services 24 hours a day, seven days a week on 106 routes throughout the District serving an average weekday ridership of 293,000. The District will continue to pay approximately 49 percent of the bus system operating costs and receive approximately 55 percent of the bus system revenues.

- The Metrorail Operating Subsidy which provides the District's share of the rail subsidy to WMATA to maintain the operation of Metrorail system in the area for the District residents. WMATA currently operates 81 miles of rail system in the metropolitan area with 70 stations. Approximately 34 miles of the operating rail system and 36 stations are located in the District. The District's share of rail subsidy has been nearly 40 percent. The District's FY 1993 share of the subsidy will be reduced to 36 percent since the subsidy allocation formula takes into account the decrease in the District's population as reported by the 1990 census.

- The District Metrorail Debt Service finances the District's annual share of the $997 million in bonds the Transit Authority sold for the rail construction program. This payment is consistent with the Ancillary Bond Repayment Participation Agreement entered between the District of Columbia, the State of Maryland, the Commonwealth of Virginia, and the United States Secretary of Transportation. The agreement provides for an overall 2/3 federal and 1/3 local cost-sharing. The arrangement requires that one-half of the semiannual payment be placed into a bond interest fund six months prior to the date interest is due, with the balance of the payment deposited three months before the due date.

Agency Budget Summary

The District budget funds the District's portion of the WMATA operating subsidy. The subsidy level is the difference between the cost to operate services and revenues from fares.

FY 1994: The FY 1994 *appropriated* budget request of $126,894,000 consists of: $89,460,000 Metrobus operations, $26,115,000 Metrorail operations, $10,331,000 Metrorail debt service (interest

payments), and $988,000 Metrorail construction management. The FY 1994 *nonappropriated* budget of $6,799,716 ($3,000,000 for Metrobus Operations and $3,799,716 Metrorail operations), in federal assistance is provided to the Authority by the U.S. Department of Transportation on behalf of the District. This fund will be used to supplement the Metrobus and Metrorail subsidies.

FY 1993 Revised: The FY 1993 revised budget of $126,894,000 is funded at the same level as the FY 1994 *appropriated* request and the FY 1993 approved budgets.

Budget Strategy and Impacts

The WMATA budget and the District's subsidy payment to support that budget is directly related to the level of bus service in the District and the formula that is used to appropriate the District's percentage share of the Metrorail operating cost. The District's bus subsidy has increased because of decisions made by the surrounding jurisdictions to either eliminate or privatize some of their bus services. The 1990 Rivlin Commission report concluded that the District could reduce its bus subsidy by privatizing some of its routes. Based on that recommendation, , the District's strategy is to privatize some of its bus routes and service presently provided by WMATA starting the second quarter of FY 1994.

Table I **Agency Staffing and Funding Detail**

Programs	Staffing (FTE Positions)				Funding			
	FY92 Actual	FY93 Budget	FY93 Revised	FY94 Proposed	FY92 Actual	FY93 Budget	FY93 Revised	FY94 Proposed
Metrobus Operating Subsidy	0.0	0.0	0.0	0.0	70,866,085	89,460,000	89,460,000	89,460,000
Metrorail Operating Subsidy	0.0	0.0	0.0	0.0	19,794,414	26,115,000	26,115,000	26,115,000
Metrorail Debt Service	0.0	0.0	0.0	0.0	7,588,236	10,331,000	10,331,000	10,331,000
Rail Construction Management	0.0	0.0	0.0	0.0	724,626	988,000	988,000	988,000
Total Agency	0.0	0.0	0.0	0.0	98,973,361	126,894,000	126,894,000	126,894,000
Appropriated Funds	0.0	0.0	0.0	0.0	98,973,361	126,894,000	126,894,000	126,894,000
Federal Funds	0.0	0.0	0.0	0.0	0	0	0	0
Intra-District Funds	0.0	0.0	0.0	0.0	0	0	0	0
Other Funds	0.0	0.0	0.0	0.0	0	0	0	0

Table II **Agency Outputs**

Measures	FY 1991	FY 1992	FY 1993	FY 1994
Metrobus Operations - Total Passengers	140,370	136,074	133,232	133,232
Metrobus Operations - Total Operating Cost	$287,655	$300,675	$294,943	$306,443
Metrobus Operations - Total Revenue	$95,682	$101,835	$100,291	$100,572
Metrorail Operations - Total Passengers	147,077	153,893	147,035	151,435
etrorail Operations - Total Operating Cost	$261,126	$289,645	$304,079	$318,490
Metrorail Operations - Total Revenue	$189,251	$220,728	$224,565	$232,696

Washington Metropolitan Area Transit Authority

Table V **Agency Appropriated Summary by Expenditure Type**

Expenditure Type	Staffing (FTE)				Funding			
	FY 92 Actual	FY 93 Budget	FY 93 Revised	FY 94 Proposed	FY 92 Actual	FY 93 Budget	FY 93 Revised	FY 94 Proposed
Personal Services								
Regular Pay	0.0	0.0	0.0	0.0	0	0	0	0
Other Pay	0.0	0.0	0.0	0.0	0	0	0	0
Additional Gross Pay	0.0	0.0	0.0	0.0	0	0	0	0
Fringe Benefits	0.0	0.0	0.0	0.0	0	0	0	0
Total Personal Services	0.0	0.0	0.0	0.0	0	0	0	0
NonPersonal Services								
Supplies					0	0	0	0
Energy					0	0	0	0
Communications					0	0	0	0
					0	0	0	0
					0	0	0	0
					98,973,361	126,894,000	126,894,000	126,894,000
Equipment					0	0	0	0
Total NonPersonal Services					98,973,361	126,894,000	126,894,000	126,894,000
TOTAL AGENCY	0.0	0.0	0.0	0.0	98,973,361	126,894,000	126,894,000	126,894,000

District School Transit Subsidy

Agency Overview

Mission

The objective of the District School Transit Subsidy is to contribute to improving the District's quality of life and economic competitiveness by providing the transportation of District students by Metrobus and Metrorail to and from school and related educational activities as authorized by law.

Agency Description

The Department of Public Works, Office of Mass Transit certifies the eligibility of students to travel on Metrobus and Metrorail, issues student discount cards to permit subsidized travel, distributes application blanks for bus tokens, administers the special program for student travel during summers and weekends, verifies the monthly student ridership, and processes the quarterly subsidy payments to the Washington Metropolitan Area Transit Authority (WMATA). Students pay one-third of the base boarding fare and the annual subsidy amount is the difference between the actual fare and the students' payments.

The Department of Public Works manages this program in conjunction with WMATA and the D.C. Public Schools.

Agency Budget Summary

FY 1994: The FY 1994 appropriated budget request is $4,350,000, the same as the revised 1993 budget amount. This includes $93,000 for administrative costs of the program.

FY 1993 Revised: The revised FY 1993 budget amount for the Subsidy remains unchanged from the original appropriated amount of $4,350,000 for FY 1993.

Budget Strategy and Impacts

The school ridership has declined over the past several years. This trend has stabilized the budget and accommodated fare increases without significant budget increases. However, the D.C. Public Schools is considering abandoning its Junior High School format and going to a Middle School format, expanding its Magnet School program, and implementing open enrollment throughout the system for all grades. These changes may increase the number of children utilizing the Metrobus and Metrorail services. It is anticipated that the declining school enrollment seen over the past decade will continue and would balance the increased demand on the subsidized ridership. The long-term trend in declining base ridership may balance additional costs of potential higher utilization and higher fares.

District School Transit Subsidy

Table I **Agency Staffing and Funding Detail**

Programs	Staffing (FTE Positions)				Funding			
	FY92 Actual	FY93 Budget	FY93 Revised	FY94 Proposed	FY92 Actual	FY93 Budget	FY93 Revised	FY94 Proposed
School Transit Subsidy	0.0	0.0	0.0	0.0	4,386,996	4,350,000	4,350,000	4,350,000
Total Agency	0.0	0.0	0.0	0.0	4,386,996	4,350,000	4,350,000	4,350,000
Appropriated Funds	0.0	0.0	0.0	0.0	4,386,996	4,350,000	4,350,000	4,350,000
Federal Funds	0.0	0.0	0.0	0.0	0	0	0	0
Intra-District Funds	0.0	0.0	0.0	0.0	0	0	0	0
Other Funds	0.0	0.0	0.0	0.0	0	0	0	0

Table II **Agency Outputs**

Measures	FY 1991	FY 1992	FY 1993	FY 1994
Student Enrollment Public, Private and Parochial	90,700	90,000	89,500	89,500
Total Number of Rail Cards Issued	7,000	7,000	8,578	8,500
Non-Summer	0	0	7,008	7,000
Summer	0	0	1,570	1,500
Total number of Token Books Distributed	7,200	7,200	9,176	9,100
Non-Summer	0	0	6,242	6,200
Summer	0	0	2,934	2,900
Average Monthly Ridership on Metrobus	395,833	386,777	380,000	378,000
Average monthly ridership on Metrorail	91,666	75,479	77,000	79,000

District School Transit Subsidy

Table III **Agency Appropriated Summary by Expenditure Type**

Expenditure Type	Staffing (FTE)				Funding			
	FY 92 Actual	FY 93 Budget	FY 93 Revised	FY 94 Proposed	FY 92 Actual	FY 93 Budget	FY 93 Revised	FY 94 Proposed
Personal Services								
Regular Pay	0.0	0.0	0.0	0.0	0	0	0	0
Other Pay	0.0	0.0	0.0	0.0	0	0	0	0
Additional Gross Pay	0.0	0.0	0.0	0.0	0	0	0	0
Fringe Benefits	0.0	0.0	0.0	0.0	0	0	0	0
Total Personal Services	0.0	0.0	0.0	0.0	0	0	0	0
NonPersonal Services								
Supplies					4,862	0	0	0
Energy					0	0	0	0
Communications					0	0	0	0
Building Rent					0	0	0	0
Other Services & Charges					168,804	93,000	93,000	93,000
Subsidies & Transfers					4,186,414	4,257,000	4,257,000	4,257,000
Equipment					26,916	0	0	0
Total NonPersonal Services					4,386,996	4,350,000	4,350,000	4,350,000
TOTAL AGENCY	0.0	0.0	0.0	0.0	4,386,996	4,350,000	4,350,000	4,350,000

Washington Aqueduct

Agency Overview

Mission

The mission of the Washington Aqueduct is to collect, purify, and pump an adequate supply of potable water for the District of Columbia, Arlington County, and approximately 40 square miles of Fairfax County, Virginia. An estimated 67 billion gallons of purified water will be pumped to these consumers in FY 1994.

Agency Description

Facilities owned, maintained, and operated by the Washington Aqueduct to accomplish its mission include intake works on the Potomac River at Great Falls and Little Falls, Maryland; two 10-mile long gravity conduit systems of 200 million gallons per day (mgd) capacity; a 525-mgd raw water pumping station; two major treatment plants with about 400-mgd capacity; three booster pumping stations; a 480-mgd finished water pumping station; seven finished storage reservoirs; and many large diameter transmission mains. Water distribution in the District of Columbia, Arlington County, and Fairfax County, Virginia is the responsibility of the local governments. The water produced by the Washington Aqueduct meets or surpasses all standards promulgated by the U.S. Environmental Protection Agency under the Safe Drinking Water Act.

Agency Budget Summary

The appropriated proposal for FY 1994 is $19,159,000 and 267 full-time equivalent (FTE) positions, an increase of $1,067,000 with a decrease of seventeen FTEs from the FY 1993 budget. There are no changes planned in the level of service provided. Major budgetary changes include the following:

- A decrease of seventeen FTEs with no corresponding decrease in costs. These positions are provided by the U.S. Army Engineer District, Baltimore for support services and budgeted in object class 40.
- An increase of $318,000 in personal services to provide funds for the 1994 federal pay adjustment, within grade increases, and to meet current and future costs of additional pay and fringe benefits.
- An increase of $321,000 is required to meet the current costs of supplies and anticipated increases in chemical costs.
- An increase of $154,000 to provide funds for anticipated electric and natural gas rate increases and for increased consumption of diesel fuel.
- An increase of $226,000 to provide funds for additional employee training and maintenance and repair contracts.
- An increase of $48,000 to provide funds to replace obsolescent ADP equipment.

Washington Aqueduct

Budget Strategy & Impacts

Strategy: The workload and service demands of the Washington Aqueduct will continue in FY 1993 and FY 1994 at current levels. The FY 1994 budget proposal of $19,159,000 is necessary to ensure reliable pumpage of an adequate supply of potable water.

Impacts: Implementation would ensure continued reliability and operation of the water supply system.

Table I **Agency Staffing and Funding Detail**

Programs	Staffing (FTE Positions)				Funding			
	FY92 Actual	FY93 Budget	FY93 Revised	FY94 Proposed	FY92 Actual	FY93 Budget	FY93 Revised	FY94 Proposed
Washington Aqueduct	0.0	284.0	284.0	267.0	16,164,229	18,092,000	18,092,000	19,159,000
Total Agency	0.0	284.0	284.0	267.0	16,164,229	18,092,000	18,092,000	19,159,000
Appropriated Funds	0.0	284.0	284.0	267.0	16,164,229	18,092,000	18,092,000	19,159,000
Federal Funds	0.0	0.0	0.0	0.0	0	0	0	0
Intra-District Funds	0.0	0.0	0.0	0.0	0	0	0	0
Other Funds	0.0	0.0	0.0	0.0	0	0	0	0

Table II **Agency Outputs**

Measures	FY 1991	FY 1992	FY 1993	FY 1994
Million gallons pumped	69,876	66,878	67,000	67,000
Customers served	1,000,000	1,000,000	1,000,000	1,000,000
Average million gallons per day per jurisdiction: District	149	145	144	144
Average million gallons per day per jurisdiction: Arlington	25	23	25	25
Average million gallons per day per jurisdiction: Falls Church	18	16	17	17
Cost of service per million gallons: District	339	462	428	502
Cost of service per million gallons: Arlington	395	537	489	577
Cost of service per million gallons: Falls Church	392	475	466	522
Revenue collected: Arlington	3,516,171	3,378,896	4,150,000	4,710,000
Revenue collected: Falls Church	2,436,378	2,561,172	2,940,000	3,060,000

Washington Aqueduct

Table V **Agency Appropriated Summary by Expenditure Type**

Expenditure Type	Staffing (FTE)				Funding			
	FY 92 Actual	FY 93 Budget	FY 93 Revised	FY 94 Proposed	FY 92 Actual	FY 93 Budget	FY 93 Revised	FY 94 Proposed
Personal Services								
Regular Pay	0.0	284.0	284.0	267.0	0	8,391,000	8,391,000	8,494,000
Other Pay	0.0	0.0	0.0	0.0	0	0	0	0
Additional Gross Pay	0.0	0.0	0.0	0.0	0	375,000	375,000	406,000
Fringe Benefits	0.0	0.0	0.0	0.0	0	1,629,000	1,629,000	1,813,000
Total Personal Services	0.0	284.0	284.0	267.0	0	10,395,000	10,395,000	10,713,000
NonPersonal Services								
Supplies					0	2,400,000	2,400,000	2,721,000
Energy					0	3,346,000	3,346,000	3,500,000
Communications					0	122,000	122,000	122,000
Building Rent					0	0	0	0
Other Services & Charges					0	1,529,000	1,529,000	1,755,000
Subsidies & Transfers					16,164,229	0	0	0
Equipment					0	300,000	300,000	348,000
Total NonPersonal Services					16,164,229	7,697,000	7,697,000	8,446,000
TOTAL AGENCY	0.0	284.0	284.0	267.0	16,164,229	18,092,000	18,092,000	19,159,000

OPENING STATEMENT

Chief, Washington Aqueduct

U. S. Army Corps of Engineers, Baltimore District

May 26, 1993

The Washington Aqueduct, owned and operated by the U.S. Army Corps of Engineers, is responsible for collecting, purifying, and pumping an adequate supply of potable water for the District of Columbia, Arlington County, and approximately 40 square miles of Fairfax County, Virginia. The local governments are responsible for water distribution in their areas. An estimated 67 billion gallons of purified water will be pumped to these consumers during FY 1994.

The FY 1994 appropriated budget request is $19,159,000 and 267 authorized continuing full-time positions, an increase of $1,067,000 with a decrease of seventeen positions. The FY 1994 operating budget request maintains the current level of services.

A decrease of seventeen full-time equivalent positions with no corresponding decrease in costs reflects positions provided by the U.S. Army Engineer District, Baltimore for support services and budgeted in object class 40. An increase of $318,000 in personal services is requested to provide funds for the 1994 federal pay adjustment; within grade increases; and to meet current and future costs of additional pay and fringe benefits. Additional funds in the amount of $749,000 are requested to meet the current costs of supplies; anticipated increases in chemical costs; anticipated electric and natural gas rate increases; additional employee training; additional maintenance and repair contracts; and to replace obsolescent ADP equipment.

The quality of water produced by the Washington Aqueduct meets or surpasses all standards promulgated by the EPA under the Safe Drinking Water Act. Average consumption during FY 1992 was 183 million gallons a day (mgd) and maximum day consumption was 237 mgd. During FY 1992, the Washington Aqueduct pumped 66,878 million gallons to approximately one million customers. This reflects an average of 144.7 mgd to the District of Columbia, 22.6 mgd to Arlington County, and 15.5 mgd to Falls Church. Revenue from Northern Virginia for FY 1992 totalling $5,940,068 was deposited into the Water and Sewer Enterprise Fund.

Lottery and Charitable Games Control Board

Agency Overview

Mission

The mission of the Lottery and Charitable Games Control Board is to generate revenues for the General Fund to support programs and services for the residents of the District of Columbia.

Agency Description

The agency's mission is to administer legalized lotteries, on-line numbers games, and regulate the conduct of charitable games. The lottery operation has regulatory responsibilities to investigate licensed applicants, inspect licensed premises and enterprises, and protect the public against fraud and deception.

Operating and fiscal goals are achieved through the following programs:

- Instant Lottery ticket sales--consists of the development, design and distribution of Instant "scratch" tickets.

- On-line Numbers sales--covers administering and monitoring the sales activities for Lucky Numbers, a daily three digit game; DC Four, a daily four digit game; Quick Cash, a fixed prize game in which players select 6 of 39 numbers; and Powerball, a multi-state para-mutuel game in which players select 6 of 45 numbers.

- Licensing and Regulation--covers all businesses that serve as lottery sales agents, and fund-raising activities of nonprofit organizations.

- Administrative Direction and Support--includes all organizational management, technical, legal and fiscal support in the Lottery Enterprise Fund.

Agency Budget Summary

FY 1994: The gross operating budget in FY 1994 is $162,925,000 and 124 FTE's, an increase of $22,003,000 from the FY 1993 approved budget and no change in positions. The request for appropriated budget authority is $7,168,000 and 124 FTE's, a reduction of $1,282,000 and no change in full-time equivalent positions. Changes in the administrative allocation which are funded with appropriated budget authority are described as follows:

- A reduction of $1,000,000 from the contract buy-out of the on-line computer system and agent terminal network.

- The reduction of $50,000 for additional pay.

- The reduction of $85,000 in contractual services.

Lottery and Charitable Games Control Board

- The reduction of $147,000 in equipment purchases.

- The redirection of $125,000 and program responsibilities for telecommunications.

The nonappropriated budget is totally derived from the sale of lottery tickets and investment earnings, and is financed entirely with non-federal funds. Projected transfer to the General Fund through this period will increase by $6,582,000 to $50,282,000 in FY 1994.

FY 1993 Revised: The FY 1993 revised budget of $159,072,000 is an increase of $18,150,000 from the FY 1993 approved budget and no change in positions. The request for appropriated budget authority is $8,180,000 and 124 FTE's, a reduction of $270,000 and no change in full-time equivalent positions. Changes in the administrative allocation which are funded with appropriated budget authority are described as follows:

- A reduction of $270,000 for the FY 1993 employee furlough and within-in grade savings.

Transfer to the General Fund through this period will increase by $5,570,000 to $49,270,000 for the FY 1993 revision.

Budget Strategy & Impacts

The agency will continue to experience spending pressures in the administrative area which will be managed within the FY 1994 resource level. The impact will be to continue on-going efforts in streamlining operations, consolidating functions, and improving processes. The agency's ability to address the competition in the lottery market, increase ticket sales, and raise transfers will not be adversely affected.

Revenue expectations are more optimistic for this period because of management initiatives and game enhancements. Maintaining this positive sales trend will require further product adjustments and new game strategies to address the competition.

Table I **Agency Staffing and Funding Detail**

Programs	Staffing (FTE Positions)				Funding			
	FY92 Actual	FY93 Budget	FY93 Revised	FY94 Proposed	FY92 Actual	FY93 Budget	FY93 Revised	FY94 Proposed
Administration	119.3	124.0	124.0	124.0	(8,382,808)	(8,450,000)	(8,180,000)	(7,168,000)
Instant Lottery Sales	0.0	0.0	0.0	0.0	7,892,594	5,100,000	10,100,000	12,000,000
On-Line Sales	0.0	0.0	0.0	0.0	139,895,590	135,882,000	148,972,000	150,925,000
Total Agency	119.3	124.0	124.0	124.0	147,788,184	140,922,000	159,072,000	162,925,000
Appropriated Funds	0.0	0.0	0.0	0.0	0	0	0	0
Federal Funds	0.0	0.0	0.0	0.0	0	0	0	0
Intra-District Funds	118.6	124.0	124.0	124.0	8,383,808	(8,450,000)	8,180,000	7,168,000
Other Funds	0.0	0.0	0.0	0.0	147,788,184	140,922,000	159,072,000	162,925,000

Lottery and Charitable Games Control Board

Table II **Agency Outputs**

Measures	FY 1991	FY 1992	FY 1993	FY 1994
Licenses: Charitable Games	102	112	112	120
Licenses: Instant Lottery	570	570	570	570
Licenses: On-line Games	550	550	550	550
Weekly Ticket Sales: Instant Lottery Games	153,000	98,000	194,000	231,000
Weekly Ticket Sales: On-line Games	2,677,000	2,600,000	2,850,000	2,894,000
Contributions to Business Economy: Lottery Prizes Paid	71,567,000	69,738,000	79,998,000	82,436,000
Contributions to Business Economy: Agent Commissions Paid	7,602,000	7,692,000	8,750,000	9,014,000
Contributions to the General Fund	45,700,000	48,500,000	49,270,000	50,282,000

Table V **Agency Appropriated Summary by Expenditure Type**

Expenditure Type	Staffing (FTE)				Funding			
	FY 92 Actual	FY 93 Budget	FY 93 Revised	FY 94 Proposed	FY 92 Actual	FY 93 Budget	FY 93 Revised	FY 94 Proposed
Personal Services								
Regular Pay	111.0	117.0	117.0	117.0	3,833,397	4,038,000	3,819,000	4,038,000
Other Pay	7.8	7.0	7.0	7.0	243,813	200,000	188,000	200,000
Additional Gross Pay	0.0	0.0	0.0	0.0	159,665	50,000	50,000	0
Fringe Benefits	0.0	0.0	0.0	0.0	632,042	622,000	583,000	622,000
Total Personal Services	118.8	124.0	124.0	124.0	4,868,917	4,910,000	4,640,000	4,860,000
NonPersonal Services								
Supplies					59,530	65,000	65,000	65,000
Energy					17,104	15,000	15,000	15,000
Communications					174,182	125,000	125,000	125,000
Building Rent					1,120,130	1,275,000	1,275,000	1,275,000
Other Services & Charges					630,239	650,000	650,000	565,000
Subsidies & Transfers					0	0	0	0
Equipment					1,512,707	1,410,000	1,410,000	263,000
Total NonPersonal Services					3,513,891	3,514,000	3,540,000	2,308,000
TOTAL AGENCY	118.8	124.0	124.0	124.0	8,382,808	8,450,000	8,180,000	7,168,000

TESTIMONY BEFORE THE SUBCOMMITTEE ON APPROPRIATIONS FOR THE DISTRICT OF COLUMBIA U.S. HOUSE OF REPRESENTATIVES FISCAL YEAR 1994 BUDGET

BARBARA BELL CLARK, CHAIRPERSON

LOTTERY AND CHARITABLE GAMES CONTROL BOARD

JUNE 7, 1993

GOOD AFTERNOON MR. CHAIRMAN AND MEMBERS OF THE SUBCOMMITTEE ON APPROPRIATIONS FOR THE DISTRICT OF COLUMBIA. I AM BARBARA BELL CLARK, CHAIRPERSON OF THE D. C. LOTTERY AND CHARITABLE GAMES CONTROL BOARD. I AM PLEASED TO HAVE THIS OPPORTUNITY TO PRESENT THE D. C. LOTTERY'S FY 1994 BUDGET. I HAVE PREPARED A BRIEF STATEMENT FOR THE RECORD. BEFORE I BEGIN, I WOULD LIKE TO INTRODUCE ANTHONY S. COOPER, EXECUTIVE DIRECTOR; ROBERT REID, CHIEF FINANCIAL OFFICER; AND IRVIN LOGAN, BUDGET OFFICER.

THE D. C. LOTTERY CONCLUDED ANOTHER SUCCESSFUL YEAR OF SALES ACTIVITIES, AND GAME AND OPERATIONAL ENHANCEMENTS. SALES ARE IMPROVING AND REVENUE FOR THE CITY IS GROWING. I AM OPTIMISTIC THAT THE COURSE THE OPERATION IS PURSUING WILL BE PRODUCTIVE FOR MANY YEARS. THE MEMBERS OF THE BOARD ARE CONFIDENT THAT THE CHALLENGES FACING THE AGENCY CAN BE MET WITH THE ABLE MANAGEMENT AND STAFF OF THE D. C. LOTTERY.

THE LOTTERY AND CHARITABLE GAMES CONTROL BOARD'S CONTRIBUTION TO THE DISTRICT PROGRAMS AND SERVICES IN FY 1992 WAS $48.5 MILLION FROM $147.5 MILLION IN REVENUES. TRANSFERS EXCEEDED PROJECTIONS BY 12 PERCENT OR $5.3 MILLION AND FY 1991 RESULTS BY $2.8 MILLION. THE D. C. LOTTERY'S PERFORMANCE IN FY 1992 REPRESENTED A CONCERTED EFFORT TO IMPROVE REVENUE AND TRANSFERS, OPERATING EFFECTIVENESS AND EFFICIENCIES, AND LOTTERY GAME APPEAL. MANY OF THOSE GOALS WERE MET AND SOME WERE EXCEEDED. BECAUSE OF THESE AND OTHER MANAGEMENT INITIATIVES, TICKET SALES ARE EXPECTED TO IMPROVE SIGNIFICANTLY IN FY 1993 AND FY 1994. LOTTERY REVENUE HAS BEEN REVISED UP TO $159 MILLION IN FY 1993, AN INCREASE OF $18 MILLION OR 11 PERCENT. TRANSFERS WILL INCREASE BY $5.3 MILLION TO $50 MILLION. IN FY 1994, REVENUE WILL GROW TO $163 MILLION, $4.6 MILLON OVER THE FY 1993 REVISION.

THE ECONOMIC CONDITIONS OF A YEAR AGO, AND THE INCREASED PRESSURES FROM THE COMPETITION CAUSED US GREAT CONCERN. THIS WAS PARTICULARLY TROUBLING BECAUSE THE PREVIOUS TWO YEARS WERE IN A DOWNWARD TREND. THE BOARD, MANAGEMENT AND STAFF HAVE WORKED DILIGENTLY TO REVITALIZE SALES GROWTH. HAVING REACHED TEN YEARS IN THE INDUSTRY, AND ATTAINING THE STATUS OF A MATURE LOTTERY, REVENUES BEGIN TO STABILIZE. THIS REPRESENTS A PIVOTAL JUNCTURE IN THE D. C. LOTTERY'S HISTORY. AS MARKET CONDITIONS AND PLAYER INTERESTS CHANGE, WE MUST CONSTANTLY IMPROVE EXISTING PRODUCTS, EXPLORE NEW CONCEPTS AND INNOVATION, AND EVALUATE EMERGING TECHNOLOGIES.

ADDITIONALLY, INVESTMENTS IN SYSTEM UPGRADES AND PRODUCTIVITY IMPROVEMENTS ARE ESSENTIAL ELEMENTS TO OUR ABILITY TO REMAIN A PRODUCTIVE REVENUE SOURCE FOR THE CITY. IN ORDER TO MEET THIS CHALLENGE, OPERATING PLANS THROUGH 1994 INCLUDE:

- IMPROVING RELATIONS WITH THE AGENT BASE WITH BETTER RESPONSES THROUGH THE LOTTERY SALES DIVISION AND THE CREATION OF A MULTICULTURAL AFFAIRS OFFICE.

- DIRECTING MARKETING EFFORTS TO CUSTOMER CONTACT FOCUSING ON POINT-OF-SALE ADVERTISING, AND ONGOING MARKET RESEARCH.

- IMPROVEMENTS TO THE INSTANT LOTTERY SYSTEM TO PERMIT TICKET REDEMPTION THROUGHOUT THE AGENT TERMINAL NETWORK, AND EXPAND GAME POTENTIAL TO OFFER THIRTY (30) INSTANT GAMES SIMULTANEOUSLY. (PRIOR TO FY 1992 THE INSTANT LOTTERY WAS LIMITED TO FOUR (4) GAMES AT ANY ONE TIME).

- EXPANSION OF THE ON-LINE SYSTEM FOR THE NUMBERS GAMES FROM SIX (6) TO EIGHT (8), THEREBY ENHANCING OUR ABILITY TO RESPOND TO OUR COMPETITORS.

- REPLACEMENT OF LOTTO AMERICA WITH POWERBALL, A JACKPOT GAME WITH GREATER POTENTIAL AND APPEAL.

- RENEWED EFFORTS TO GAIN ACCESS TO THE TOTAL LOTTERY MARKET IN THE DISTRICT OF COLUMBIA BY INCLUDING THE FEDERAL ENCLAVE.

- TESTING THE VIABILITY OF INSTANT TICKET VENDING MACHINES IN THE DISTRICT MARKET.

- INCREASING STAFF PRODUCTIVITY WITH INDEPENDENT WORKSTATIONS THROUGH THE INSTALLATION OF LOCAL AREA NETWORKS.

- UPGRADING THE AGENCY'S COMMUNICATIONS SYSTEM TO ADDRESS CUSTOMER SERVICE CONCERNS IN RESPONDING TO THE PUBLIC, PLAYERS AND AGENTS.

- EVALUATION OF NEW GAME CONCEPTS SUCH AS KENO AND VIDEO LOTTERY.

THE INITIAL RESPONSE TO OUR MOST RECENT ADJUSTMENTS, IMPROVED GAME DESIGNS FOR THE INSTANT LOTTERY, AND ENHANCEMENTS TO THE THREE AND FOUR DIGIT GAMES HAVE HAD POSITIVE EFFECT ON SALES GROWTH. WE EXPECT TO EXTEND THIS POSITIVE SALES ACTIVITY THROUGH FY 1994. IT WILL TAKE HARD WORK AND A CREATIVE STAFF TO MAINTAIN OUR RECORD OF SUCCESS. WITH YOUR ASSISTANCE AND COOPERATION, WE ARE ASSURED TO ACHIEVE OUR GOALS. WE WILL BE SUBMITTING LEGISLATIVE INITIATIVES TO REMOVE THE RESTRICTION ON THE SALE OF LOTTERY TICKETS AND TO INTRODUCE VIDEO LOTTERY TECHNOLOGY IN OUR MARKET.

THE D. C. LOTTERY'S REQUEST FOR APPROPRIATED AUTHORITY IN FY 1994 IS $7,168,000 AND 124 FULL-TIME EQUIVALENT POSITIONS. THIS IS A DECREASE OF $1,282,000 AND NO CHANGE IN POSITIONS. THE FIVE YEAR ARRANGEMENT TO PURCHASE THE ON-LINE NUMBERS SYSTEM AND THE AGENT TERMINAL NETWORK EXPIRES IN DECEMBER 1994. THIS BASE REDUCTION REDUCES THE ADMINISTRATIVE BUDGET BY $1,000,000. OPERATING EXPENSES OF $282,000 HAVE BEEN REDUCED FROM ADDITIONAL GROSS PAY, CONTRACTUAL SERVICES, AND EQUIPMENT PURCHASES. FUNDING FOR OVERTIME DECREASES $50,000, OUT-OF-CITY TRAVEL DECREASES $61,000, EMPLOYEE TRAINING DECREASES $24,000, AND VEHICLE PURCHASES DECREASE $147,000.

ADVANCES IN TELECOMMUNICATIONS HAVE MADE IT NECESSARY TO TRANSFER

MANAGEMENT RESPONSIBILITIES TO THE DATA PROCESSING COMPONENT. FUNDS OF $125,000 ARE REDIRECTED TO AUTOMATED INFORMATION SERVICES FROM FINANCIAL SERVICES. PLANNED OPERATING ENHANCEMENTS, GAME IMPROVEMENTS AND LOTTERY EXPANSION CAN BE ACCOMPLISHED WITHIN THIS FUNDING LEVEL. THE FISCAL PRESSURES IN THE ADMINISTRATIVE BUDGET WILL CAUSE PROGRAM ADJUSTMENTS AND REQUIRE COST EFFECTIVE MANAGEMENT. WE REMAIN CONFIDENT IN OUR ABILITY TO ATTAIN THE FY 1994 GOALS AT THIS BUDGET LEVEL.

THANK YOU MR. CHAIRMAN FOR THIS OPPORTUNITY TO PRESENT TESTIMONY ON THE D. C. LOTTERY'S FY 1994 BUDGET. I WILL BE HAPPY TO ANSWER ANY QUESTIONS THAT YOU MR. CHAIRMAN, AND THE COMMITTEE MEMBERS MAY HAVE.

Office of Cable Television

Agency Overview

Mission

The mission of the Office of Cable Television (OCT) is to protect, promote and advocate the public interest in cable television within the District of Columbia.

Agency Description

The office achieves this mission by monitoring the compliance of the District's private cable provider with the terms and conditions of the cable franchise agreement, as well as all applicable federal and local laws. Additionally, the office serves as an advocate for cable subscribers in resolving disputes; assumes the highest standards of customer service; works with the FCC to monitor rates, issue guidelines, and determine minimum standards; monitors system construction and enhancements; educates and informs users about the technology and its applications; oversees and coordinates programming for the municipal channels; encourages citizen and especially youth and minority participation in the Public Access Corporation; and recommends strategies for using the technology to enhance economic development and service delivery.

An enterprise fund, the office is financed by five percent of the gross revenue from the private cable provider and fees for services provided by the office's television production center, as well as other revenues generated by the cable fund.

Agency Budget Summary

FY 1994: The total budget from all funding sources in FY 1994 is $2,653,000 and 30 full-time equivalent (**FTE**) positions, a decrease of $21,000 and no change in FTE positions from the FY 1993 approved budget.

The appropriated budget proposed for FY 1994 is $2,353,000 and 27 full-time equivalent (**FTE**) positions, a decrease of $147,000 from the FY 1993 approved budget of $2,500,000. The nonappropriated request is $300,000, an increase of $126,000 over the FY 1993 approved budget.

Revised FY 1993: The total budget from all funding sources in the Revised FY 1993 is $2,409,000 and 30 full-time equivalent (FTE) positions, a decrease of $265,000 from the FY 1993 approved budget.

The appropriated revised FY 1993 request is $2,235,000 and 27 full-time equivalent (FTE) positions, a decrease of $265,000 from the FY 1993 approved budget of $2,500,000. The nonappropriated budget of $174,000 is requested at the same funding level as the FY 1993 approved budget.

Budget Strategy and Impacts

Strategy: The prognosis of a modest increase in franchise fees will not provide adequate resources to address the increased regulatory responsibilities resulting from the Cable Television Consumer Protection and Competition Act of 1992. The office will continue its emphasis on increased automation and training of staff to improve the dispute resolution process for cable subscribers and

Office of Cable Television

increase the office's ability to market the facility's production services.

Impact: The quality of cable services will be enhanced by this strategy as the office's production services can be marketed more competitively and the office will be able to implement the new Cable Act and its rules more efficiently.

Table I **Agency Staffing and Funding Detail**

Programs	Staffing (FTE Positions)				Funding			
	FY92 Actual	FY93 Budget	FY93 Revised	FY94 Proposed	FY92 Actual	FY93 Budget	FY93 Revised	FY94 Proposed
Office of Cable Television	16.2	30.0	30.0	30.0	1,893,845	2,674,000	2,409,000	2,653,000
Total Agency	16.2	30.0	30.0	30.0	1,893,845	2,674,000	2,409,000	2,653,000
Appropriated Funds	16.2	27.0	27.0	27.0	1,842,429	2,500,000	2,235,000	2,353,000
Federal Funds	0.0	0.0	0.0	0.0	0	0	0	0
Intra-District Funds	0.0	3.0	3.0	3.0	19,083	149,000	149,000	286,000
Other Funds	0.0	0.0	0.0	0.0	32,333	25,000	25,000	14,000

Table II **Agency Outputs**

Measures	FY 1991	FY 1992	FY 1993	FY 1994
Annual System Review	1	1	1	1
Consumer Complaints Received	800	600	600	400
Consumer Complaints Received - Resolved (%)	0	98	100	100
Construction Progress - Evaluation	5	1	1	0
Technical Audit	1	1	1	1
Original Programs Produced	15	30	30	40
Hours Programming Aired	5,212	5,212	8,736	8,736
New Cable Programming Services	4	4	4	3
New Sources of Revenue	0	2	2	4

Office of Cable Television

Table V Agency Appropriated Summary by Expenditure Type

Expenditure Type	Staffing (FTE)				Funding			
	FY 92 Actual	FY 93 Budget	FY 93 Revised	FY 94 Proposed	FY 92 Actual	FY 93 Budget	FY 93 Revised	FY 94 Proposed
Personal Services								
Regular Pay	13.8	19.0	19.0	19.0	483,661	631,000	631,000	710,000
Other Pay	2.4	8.0	8.0	8.0	90,453	235,000	235,000	151,000
Additional Gross Pay	0.0	0.0	0.0	0.0	23,501	24,000	24,000	21,000
Fringe Benefits	0.0	0.0	0.0	0.0	101,516	69,000	69,000	90,000
Total Personal Services	16.2	27.0	27.0	27.0	699,131	959,000	959,000	972,000
NonPersonal Services								
Supplies					3,549	10,000	10,000	10,000
Energy					21	6,000	6,000	6,000
Communications					44,385	72,000	72,000	50,000
Building Rent					560,000	617,000	617,000	794,000
Other Services & Charges					99,701	100,000	100,000	342,000
Subsidies & Transfers					170,000	250,000	75,000	75,000
Land & Buildings					105,000	60,000	35,000	5,000
Equipment					160,643	426,000	361,000	99,000
Total NonPersonal Services					1,143,299	1,541,000	1,276,000	1,381,000
TOTAL AGENCY	16.2	27.0	27.0	27.0	1,842,430	2,500,000	2,235,000	2,353,000

GOVERNMENT OF THE DISTRICT OF COLUMBIA
EXECUTIVE OFFICE OF THE MAYOR

Office of Cable Television
2217 14th Street, N.W.
Washington, D.C. 20009

1994 Budget Request

Testimony of Pamela A. Taylor, Executive Director
Office of Cable Television
before the
Subcommittee on the District of Columbia

GOOD EVENING. I AM PAMELA TAYLOR, EXECUTIVE DIRECTOR OF THE OFFICE OF CABLE TELEVISION. WITH ME TODAY ARE TAMARA STEVENSON, CONSUMER SERVICES COORDINATOR AND THE NEWEST MEMBER OF OUR TEAM; DAI HARMON, ASSOCIATE DIRECTOR FOR PROGRAMMING; CLYDE ARRINGTON, PRODUCTION SUPERVISOR; AND LINDA LANIER, ADMINISTRATIVE OFFICER. IN THE AUDIENCE IS MONIQUE VALENTINE, ADMINISTRATIVE ASSISTANT AND, OF COURSE, BEHIND THE SCENES ARE MONDA WEBB AND THOMAS JOHNSON.

I THANK THEM ALL FOR BEING HERE, AND FOR THEIR ONGOING COMMITMENT TO THE MISSION OF THE OFFICE--THAT IS, TO ADVOCATE AND PROMOTE THE PUBLIC INTEREST IN CABLE TELEVISION IN THE DISTRICT OF COLUMBIA.

I AM HERE TODAY TO REQUEST SPENDING AUTHORITY IN FY 1994 FOR THE OFFICE OF CABLE TELEVISION IN THE AMOUNT OF $2,900,000 AND 20 FULL-TIME EQUIVALENT POSITIONS, AN INCREASE OF $226,000 AND AN INCREASE OF ONE POSITION OVER FY 1993. THERE IS NO CHANGE IN THE FY 1993 BUDGET REQUEST FOR APPROPRIATED AND NONAPPROPRIATED FUNDS.

THE APPROPRIATED SPENDING REQUEST FOR FY 1994 IS $2,600,000, AN INCREASE OF $100,000 OVER FY 1993. THE NONAPPROPRIATED REQUEST IS $300,000, AN INCREASE OF $126,000 OVER FY 1993. THERE IS NO CHANGE IN THE FY 1993 BUDGET REQUEST FOR APPROPRIATED OR NONAPPROPRIATED FUNDS.

THE OFFICE IS AWARE THAT OUR VIEWERS CONTINUE TO HAVE HIGH EXPECTATIONS FOR THE MUNICIPAL PROGRAMMING PROVIDED BY THE OFFICE OF CABLE TELEVISION, PRINCIPALLY BECAUSE OF THE CONSISTENT QUALITY OF PROGRAMMING THAT HAS BEEN OFFERED SINCE THE OFFICE'S INCEPTION AND ESPECIALLY SINCE THE EARLY DAYS OF THE KELLY ADMINISTRATION--INCLUDING D.C. TODAY, FYI, DISTRICT LIVE, LINEA DIRECTA, COUNCIL AGENDA, BEYOND CITY HALL, SPECIAL AND TOPICAL PROGRAMMING AND, OF COURSE, GAVEL-TO-GAVEL COVERAGE OF COUNCIL HEARINGS.

WE ARE AWARE THAT VIEWERS OF CHANNEL 13 ARE ANXIOUSLY AWAITING AUTOMATION SO THAT THEY CAN ENJOY THE RECABLECAST HEARINGS OF THE COUNCIL LATER IN THE DAY AND ON WEEKENDS. THE OFFICE, THEREFORE, REQUESTED ESTIMATES TO PURCHASE THE NECESSARY EQUIPMENT TO AUTOMATE 13 FOR EVENING AND WEEKEND PROGRAMMIMG. THOSE COSTS RANGE BETWEEN $53,982 TO $85,294 AND WILL TAKE APPROXIMATELY TWO TO THREE MONTHS TO OPERATION. ASSUMING APPROVAL OF THIS REQUEST, THE OFFICE IS PREPARED TO CONTRIBUTE $50,000 TO THE PURCHASE.

IN THE INTERIM, I HAVE HIRED A PRODUCTION AIDE AND SHIFTED STAFF HOURS TO MANUALLY PROVIDE PLAYBACK FOR CHANNEL 13 UP TO 8 PM IMMEDIATELY AND WITHIN 30 TO 45 DAYS 10 PM. WEEKEND PLAYBACK (AT LEAST FOR SATURDAYS) WILL COMMENCE WITHIN THE SAME 30 TO 45 DAYS. AND, OF COURSE, WE ARE PROVIDING LIVE COVERAGE OF ALL THE BUDGET HEARINGS.

I AM ALSO PLEASED TO ANNOUNCE THAT EFFECTIVE APRIL 1, DISTRICT CABLEVISION WILL INTRODUCE A NEW BASIC SERVICE--21 CHANNELS FOR $10. THESE WILL INCLUDE THE 13 BROADCAST CHANNELS; 6 PUBLIC, MUNICIPAL AND EDUCATIONAL ACCESS CHANNELS; AND 2 SUPERSTATIONS.

District of Columbia Armory Board (STARPLEX)

Agency Overview

Mission

The mission of the D.C. Armory Board is to maintain and operate an armory to provide facilities for the quartering and training of the National Guard of the District of Columbia; for conduct of major athletic events, conventions, concerts and other activities; for maintaining and operating the Robert F. Kennedy Memorial Stadium for athletic and other events; and, to be operated as nearly as practicable on a self-supporting basis.

Agency Description

The armory and stadium (STARPLEX) are governed by a three member Armory Board, two of whose members are appointed by the Mayor of the District of Columbia with the consent of the Council of the District of Columbia; the third member is the commanding general of the District of Columbia National Guard. Operating as an agency having "independent" administrative and management authority, there is no direct or indirect link to funding supported by the general fund appropriations of the District of Columbia. Supporting revenues are earned from tenant charges for facilities rent and various services provided to tenants and clients; additional revenue is earned from parking fees and concessions sales from the events held at the armory facilities. STARPLEX tenants and clients are varied and numerous, ranging from the major sources of revenue - the Washington Redskins Athletic Organization, the Ringling Brothers Circus, and major exhibitions and events, to various locally sponsored events that represent government and private entities, non-profit fundraisers, and other events from almost every ward of the District and some surrounding jurisdictions. This revenue is used to fund the armory and stadium operations and improvements to the facilities. In-house staff are used to perform the majority of services provided at the facility. However, large events may require the use of intermittent employment, while larger projects such as stadium painting, major cleaning, etc., are undertaken through the use of competitively bid contractual services.

Agency Budget Summary

The budget proposal for FY 1994 is $6,381,000, a decrease of $662,500 from the FY 1993 budget. There are no major changes planned in the level of service provided. Major budgetary changes include the following:

- A net decrease of $166,000 in personal services will continue the realignment of both permanent and temporary staffing to reflect a more efficient management initiative and meet current and future costs of additional pay and fringe benefits.

- A net decrease of $496,500 in non-personal services is primarily ($475,000) due to reductions of one-time only costs associated with improvements to the facilities; the remainder will require conservative management to realign the current costs of supplies with increased telecommunications costs, unanticipated electric and natural gas rate increases, increased consumption of automotive fuels, and additional minor equipment purchases.

District of Columbia Armory Board (STARPLEX)

Budget Strategy & Impacts

Strategy: The current plan for workload and service delivery for the armory and stadium is to continue in FY 1993 and FY 1994 at current levels while monitoring all political and business negotiations that directly concern and, or involve the Armory Board and the plans for major capital improvements and investment projects.

Impacts: The FY 1994 budget proposal will ensure the reliable performance of STARPLEX facilities at adequate service levels. Implementation would ensure continued reliability and operation. Due to the nature of the facility business, budget versus actual performance may vary significantly. Fiscal year 1994 will be highlighted by World Cup Soccer events and activities within the metropolitan area. Although this event will generate large amounts of revenue for the District, the receipts for the STARPLEX are not expected to be great by comparison. The current decision-making regarding the future of the Washington Redskins Organization (our main source of revenue) is not completely finalized and may not be fully known until FY 1995. This factor makes reliable revenue and expenditure projections for FY 1994 and outyears significantly difficult to develop, warranting close monitoring of all related current events.

As an enterprise fund, the Armory Board depreciates fixed assets over their estimated useful lives. Current depreciation expense averages $1,000,000 annually. For the purpose of budget preparation this expense has not been used, however, the expenditures for capital improvements and fixed assets have been treated as outlays of agency funds.

Table I **Agency Funding Detail**

Programs	Funding			
	FY92 Actual	FY93 Budget	FY93 Revised	FY94 Proposed
D.C. Armory Board	9,074,214	7,043,500	7,043,500	6,381,000
Total Agency	9,074,214	7,043,500	7,043,500	6,381,000
Appropriated Funds	0	0	0	0
Federal Funds	0	0	0	0
Intra-District Funds	0	0	0	0
Other Funds	9,074,214	7,043,500	7,043,500	6,381,000

District of Columbia Armory Board (STARPLEX)

Table V **Armory Board Summary by Expenditure Type**

Object Class	FY 1991 Actual	FY 1992 Actual	FY 1993 Budget	FY 1994 Proposed
11: Regular Pay - CFT	1,156,201	1,187,815	1,155,000	1,065,000
12: Regular Pay - Other	1,157,974	1,237,631	1,130,000	1,015,000
13: Additional Gross Pay	309,489	367,452	206,000	240,000
14: Fringe Benefits	312,240	346,582	315,000	320,000
Subtotal, Personal Services	2,935,904	3,139,480	2,806,000	2,640,000
20: Supplies	353,229	624,365	332,000	155,000
30: Energy/Rent/Telephones	332,819	373,507	380,500	431,000
40: Other Services & Charges	1,863,536	2,553,462	1,255,000	1,300,000
50: Subsidies & Transfers	210,383	314,501	295,000	350,000
60: Land	1,102,614	1,908,636	1,775,000	1,300,000
70: Equipment	167,365	160,263	200,000	205,000
90: Other	0	0	0	0
Subtotal, Non-Personal Services	4,029,946	5,934,734	4,237,500	3,741,000
TOTAL AGENCY	6,965,850	9,074,214	7,043,500	6,381,000

OPERATING BUDGET DETAIL BY AGENCY

AGENCY	1992 ACTUAL	1993 APPROVED	1994 PROPOSED
HUMAN SUPPORT SERVICES			
Department of Human Services:			
District Funds	791,366	750,423	795,320
Federal Funds	482,196	530,039	567,671
Other Funds	30,000	49,842	35,140
Total	1,303,561	1,330,304	1,398,131
Department of Recreation:			
District Funds	27,717	30,015	25,581
Federal Funds	21	0	0
Other Funds	1,241	1,390	1,539
Total	28,980	31,405	27,120
Office on Aging:			
District Funds	12,774	13,751	14,061
Federal Funds	5,038	4,795	4,873
Other Funds	13	6	4
Total	17,825	18,552	18,938
D.C. General Hospital Subsidy:			
District Funds	69,010	59,510	48,035
Unemployment Compensation Fund:			
District Funds	7,068	7,944	7,944
Disability Compensation Fund:			
District Funds	24,501	19,015	17,905
Human Rights and Minority Business:			
District Funds	2,503	2,394	2,218
Federal Funds	76	165	165
Other Funds	2	1	1
Total	2,581	2,560	2,383
Office of Latino Affairs:			
District Funds	1,269	1,370	1,375
Federal Funds	(1)	0	0
Other Funds	19	50	50
Total	1,287	1,420	1,425
Commission for Women:			
District Funds	297	355	348
Other Funds	13	20	20
Total	310	375	368
Commission for Men:			
District Funds	0	0	50

OPERATING BUDGET DETAIL BY AGENCY

AGENCY	1992 ACTUAL	1993 APPROVED	1994 PROPOSED
DC Energy Office:			
District Funds	2,507	2,000	1,993
Federal Funds	5,368	4,063	5,450
Other Funds	946	1,127	1,181
Total	8,821	7,190	8,624
Trauma Care:			
District Funds	0	5,562	0
Total District Funds	939,012	892,339	914,830
Total Federal Funds	492,698	539,061	578,158
Total Other Funds	32,234	52,436	37,935
TOTAL, HUMAN SUPP.	**1,463,943**	**1,483,835**	**1,530,923**

THURSDAY, MAY 27, 1993.

DEPARTMENT OF HUMAN SERVICES

WITNESSES

VINCENT C. GRAY, DIRECTOR
CLARICE WALKER, PH.D., COMMISSIONER ON SOCIAL SERVICES
MELVIN WILLIAMS, M.D., INTERIM COMMISSIONER ON MENTAL HEALTH SERVICES
MOHAMMED AKHTER, M.D., COMMISSIONER ON PUBLIC HEALTH
DAVID CORONADO, M.D., COMMISSIONER ON HEALTH CARE FINANCE
HAZEL BROADNAX, CONTROLLER
RONALD COLLINS, CHIEF OF STAFF
PATRICIA WATT, DEPUTY DIRECTOR
GUIDO ZANNI, PH.D., DEPUTY COMMISSIONER FOR THE COMMISSION ON MENTAL HEALTH
PATRICIA BALASCO, ADMINISTRATOR FOR YOUTH SERVICES ADMINISTRATION

D.C. GENERAL HOSPITAL

WITNESSES

MARK J. CHASTANG, EXECUTIVE DIRECTOR, D.C. GENERAL HOSPITAL
LAWRENCE JOHNSON, M.D., MEDICAL DIRECTOR, D.C. GENERAL HOSPITAL

Department of Human Services

Agency Overview

Mission

The mission of the Department of Human Services is to meet the health and welfare needs of individuals and families in the District of Columbia by ensuring the development and implementation of health and social service policies.

Agency Description

The mission of the department is achieved through the work of its four Commissions which are:

- Commission on Health Care Finance
- Commission on Mental Health Services
- Commission of Public Health
- Commission on Social Services

The Commissions are responsible for direct service delivery, either through their own operations, or through contracts with private sector and non-profit organizations. Primary administrative functions for the Commissions are for the most part located in the Management Support Service component. Coordination of Commission activities relating to the development of health and social service policies is also accomplished through Management Support Services activities.

In Fiscal Year 1994 it has been proposed to reorganize the Department of Human Services into five separate Departments. The purpose of this reorganization is to ensure the effective coordination of policy and planning, monitoring, and oversight of program activities, while decentralizing operations within more autonomous and accountable departments for improved effectiveness and efficiency. This reorganization should substantially eliminate the problems of centralization, fragmentation, and duplication which continue to exist. The ultimate goal of the reorganization is to provide integrated service delivery to customers. It is also intended to begin moving service delivery into a limited number of "One Stop Shopping Centers", to make more cost-effective use of facilities, and to improve access, use, and coordination of services at the customer level. Additionally, the reorganization provides for an enhanced focus on children, youth, and families, and generally on prevention activities. The reorganization should achieve long term savings in human service delivery through more efficient deployment of resources and through continuing to shift the focus toward preventing long term problems with attendant high costs.

These departments will be organized within a human services cluster reporting to a new Assistant City Administrator position. Administrative and management support functions for the new departments will be created, as necessary and appropriate, through the redeployment of resources in the existing Management Support Services component of the Department of Human Services. The five new departments will be:

- Department of Children, Youth, and Families
- Department of Developmental & Rehabilitative Services

Department of Human Services

- Department of Health Care Finance
- Department of Mental Health Services
- Department of Public Health

A description of the mission and functions of each of the proposed five new departments is included in the proposed budget document, which also shows how they relate to the existing Department of Human Services organizational structure.

Program Budget Summary

FY 1994: The *total* budget from all funding sources for the Department of Human Services in FY 1994 is $1,402,348,240 and 8,392 FTEs, a decrease of $10,918,002 and 580 FTEs from the total revised FY 1993 budget. The *appropriated* request for FY 1994 is $795,320,000 and 5,096 FTEs, a reduction of $25,874,634 and 646 FTEs from the revised FY 1993 request. The *nonappropriated* FY 1994 budget is $607,028,240 and 3,296 FTEs. This is an increase of $14,956,632 and 66 positions.

FY 1993 Revised: The total FY 1993 revised budget request is $1,413,266,242 and 8,972 FTEs, a $79,999,342 and 730 FTE increase from the approved FY 1993 budget. The appropriated FY 1993 revised budget request is $821,194,634 and 5,742 FTEs, an increase of $70,771,434 and 202 FTEs over the FY 1993 approved budget. The nonappropriated FY 1993 revised budget is 592,071,608 and 3,230 FTEs, which is an increase of $9,227,908 and 528 FTEs. Detailed changes are described within the program sections of the budget.

Major changes include the following:

- Furlough Reductions: To reduce costs during FY 1993, the District initiated a citywide furlough. The savings for the Department are $4,912,000.

- Within Grade Reductions: In FY 1993, step increases are cancelled citywide, which results in a savings to the Department of $2,402,000.

- Health Benefits: The costs of health benefits are expected to increase by $1,222,000 in FY 1993 and $2,966,000 in FY 1994.

- Program Enhancement/Increases: Program service costs have risen steadily over the past years. An increase of $103,000,000 is provided in FY 1993 and $135,000,000 in FY 1994 to compensate for these costs. Program increases or enhancements have been made in the GPA, foster care, AFDC, and Medicaid.

- Court Decrees: An increase of $2,235,000 in FY 1993 and $7,082,000 in FY 1994 and 185 positions as a result of the LaShawn court decree.

- Reduction-in-Force: An unallocated reduction of $12,000,000 and 400 FTEs as part of the effort to reduce the size of government.

Department of Human Services

- Position Increase in FY 1993: There is an increase of 730 FTE positions to support certain programs and initiatives in the Department. Among the positions are those for a federal block grant for day care, the LaShawn court order, Medicaid staffing to support the initiatives for maximizing Federal reimbursement, hospital accreditation compliance for St. Elizabeth's, and the Youth Initiative for intervention with juveniles with problems.

- Management Efficiencies: The Department continues to make management efficiencies wherever possible. Overtime reductions in FY 1993 and FY 1994 will be affected throughout the agency. Privatization will be implemented where possible. Services contracted out will include DC Village, personal care aide services, and day treatment for the developmentally disabled. Additional federal revenue will be generated for a number of programs. Medicaid changes will promote primary and preventive care, and bring the District's payment practices in line with those of other third party payers. The use of leased space will be reduced in favor of government-owned facilities. Contract services in a number of areas are being consolidated or renegotiated to ensure greater efficiency. Additional income will be generated through improved rate setting and increased fees for selected services.

- Service Reductions: Programmatic and policy changes will be implemented in both FY 1993 and FY 1994. Although there may be a modification to the way some services are provided, there will be no reductions in eligibility or service coverage.

Budget Strategy and Impact:
Strategy: The Department's budget reflects some major shifts in its focus. As part of the overall strategy, priority is given to services for children and youth, meeting the requirements of court orders, and maintaining compliance with requirements of federally funded programs. Emphasis has been placed on maximizing both federal and non-local revenue where possible. In line with the department's focus on prevention and early intervention, particularly in the immunization of children, HIV and tuberculosis screenings, and prenatal care, resources have been allocated.

Impact: In order to implement priorities, the department has realigned resources in some of the major programs. These realignments, along with program changes will modify the way services are provided.

Department of Human Services

Table I **Agency Staffing and Funding Detail**

Programs	Staffing (FTE Positions)				Funding			
	FY92 Actual	FY93 Budget	FY93 Revised	FY94 Proposed	FY92 Actual	FY93 Budget	FY93 Revised	FY94 Proposed
Alcohol & Drug Abuse Administration	242.7	265.0	264.0	232.0	31,433,349	41,074,000	36,872,620	35,097,321
AFDC/Emergency Assistance	0.0	0.0	0.0	0.0	113,439,406	130,546,000	121,955,000	119,440,000
Ambulatory Health Care Administration	472.2	539.0	541.0	530.0	29,635,763	32,628,000	30,878,448	30,522,947
Adult Services Admin.	1,352.6	1,460.0	1,486.0	1,480.0	91,109,202	80,477,000	76,433,898	84,481,335
Commissioner of Public Health	208.5	300.0	314.0	376.0	35,002,854	36,846,000	51,704,783	39,490,360
Commissioner of Mental Health	185.2	160.0	281.0	281.0	8,404,460	10,771,000	14,020,498	15,762,588
Commissioner of Social Services	33.0	56.0	87.0	86.0	3,590,854	13,092,000	12,905,698	12,937,410
D.C. Village	608.5	748.0	748.0	759.0	29,293,386	31,812,000	30,773,562	30,219,609
Child/Youth Services Administration	202.5	268.0	331.0	330.0	26,342,803	33,957,000	34,638,638	29,289,000
Child Day Care	13.8	18.0	23.0	25.0	26,520,745	25,967,000	26,046,591	25,917,853
Executive Direction	607.6	0.0	0.0	0.0	55,757,790	0	0	0
Foster Care	0.0	0.0	0.0	0.0	30,474,358	36,912,000	41,818,000	40,660,000
Habilitation Services	121.5	0.0	0.0	0.0	0	0	0	0
Forensic Services Admin.	336.4	389.0	387.0	383.0	15,360,138	15,672,000	16,066,033	16,230,000
Family Services Admin.	337.1	341.0	611.0	615.0	59,077,662	49,106,000	51,189,271	58,097,057
Gen Pub Assist/Supp Security Income	0.0	0.0	0.0	0.0	14,675,163	16,637,000	16,637,000	15,887,000
Income Maintenance	871.1	1,030.0	1,046.0	1,046.0	57,173,383	63,291,000	64,903,725	66,523,382
Long Term Care Admin.	51.7	68.0	57.0	57.0	18,724,165	20,652,000	20,143,000	20,151,002
Medicaid/Medical Charities	0.0	42.0	65.0	65.0	514,986,890	506,573,000	571,300,476	587,502,476
Mental Retardation/Dev. Disabilities Admin.	178.2	233.0	233.0	233.0	30,878,101	33,260,000	33,151,000	33,296,000
Management Support Svcs.	0.0	466.0	526.0	530.0	0	35,988,900	45,729,808	39,530,955
Deputy for Administration	697.6	792.0	792.0	781.0	41,501,255	45,817,500	43,782,338	45,043,338
Preventive Health Services	221.1	252.0	249.0	179.0	13,959,744	13,220,000	13,703,632	10,652,900
Rehabilitation Services	215.6	254.0	266.0	267.0	19,096,615	19,573,000	19,552,644	19,651,346
Staff Reductions	0.0	0.0	0.0	(400.0)	0	0	0	(12,000,000)
Youth Services Admin.	596.8	561.0	665.0	537.0	43,569,485	39,394,500	39,059,579	37,964,361
Total Agency	7,553.7	8,242.0	8,972.0	8,392.0	1,310,007,571	1,333,266,900	1,413,266,242	1,402,348,240
Appropriated Funds	4,970.5	5,540.0	5,742.0	5,096.0	790,965,597	750,423,200	821,194,634	795,320,000
Federal Funds	2,384.2	2,636.0	3,103.0	3,174.0	482,195,825	530,038,700	556,816,263	567,670,741
Intra-District Funds	164.2	23.0	84.0	79.0	6,846,623	2,963,000	4,191,345	4,217,186
Other Funds	35.1	43.0	43.0	43.0	29,999,528	49,842,000	31,064,000	35,140,313

Department of Human Services

Table II — Agency Outputs

Measures	FY 1991	FY 1992	FY 1993	FY 1994
Outpatient Services Customers	700	700	700	700
Outreach	5,350	6,250	5,400	6,300
Emergency Psychiatric Response Visits	10,000	12,000	15,000	15,000
Transitional Housing and Support Services-Homeless	0	100	300	400
Outpatient CMHC Census	4,480	4,684	5,300	5,375
24-Hour Facilities On-Ward Census	1,050	924	887	768
Number of Hypertension Screenings Completed	20,000	20,000	20,000	20,000
Number of Children and Students Immunized	50,000	30,000	30,250	30,250
Cumulative Number of AIDS Cases	3,426	4,458	6,290	7,529
Depositions; Medico/Legal Files & Statist. Data	10,430	10,600	10,600	10,600
School Health Nurse Visits	220,000	290,000	290,000	290,000
Health Svcs. to Children w/ Special Needs (Visits)	50,090	48,980	50,000	50,000
Other Specialties	22,807	20,457	20,500	20,500
Number of Medicaid and Medicare Eligible	370	390	390	390
Number of Patient Care Days at J.B.Johnson	87,597	87,876	87,876	45,260
Total Number of Individuals Treated - ADASA	14,369	12,874	13,360	13,844
Subtotal Number of Individuals Treated	3,369	3,374	3,360	3,644
Number of Individuals Treated (Outpatient)	11,000	9,500	10,000	10,200
Caseload	20,950	22,788	23,375	24,095
Average Monthly: AFEA				
Applications Taken	13,897	13,000	13,500	14,200
Applications Approved	8,928	8,190	8,505	8,946
Caseload	4,770	2,844	3,000	3,000
AFDC Recertifications	24,200	25,653	23,375	24,095
AFDC Recipients Placed for Employment	938	1,000	1,000	1,100
Total Number Served - Rehabilitative Services	7,716	7,800	7,800	8,000
Number of Severely Disabled Served	3,395	3,744	3,744	3,840
Number of Abuse and Neglect Cases Reported	5,458	5,435	6,522	7,826
Number of Adoption Cases (Finalized)	68	60	90	120
Number of Chore Cases (Homemaker)	2,115	1,943	2,004	2,073
Number of Daycare Facilities	492	492	492	492
Number of Daycare Slots	7,941	7,611	8,022	8,022
Number of Foster Care Placements	2,300	1,680	2,184	2,893
Number of Non-Medical Adoption Subsidies	600	600	660	690
Shelter Homes	800	1,180	1,180	1,180
Group Homes	270	320	320	448

Department of Human Services

Table V **Agency Appropriated Summary by Expenditure Type**

Expenditure Type	Staffing (FTE)				Funding			
	FY 92 Actual	FY 93 Budget	FY 93 Revised	FY 94 Proposed	FY 92 Actual	FY 93 Budget	FY 93 Revised	FY 94 Proposed
Personal Services								
Regular Pay	4,136.1	4,596.0	5,432.0	4,909.0	142,772,436	161,151,000	150,935,675	143,770,001
Other Pay	834.3	239.0	310.0	187.0	23,808,323	14,683,000	12,797,300	11,852,722
Additional Gross Pay	0.0	0.0	0.0	0.0	21,268,449	6,228,000	5,318,000	4,218,000
Fringe Benefits	0.0	114.0	0.0	0.0	26,051,584	31,453,000	32,426,467	34,032,086
Total Personal Services	4,970.4	4,949.0	5,742.0	5,096.0	213,900,792	213,515,000	201,477,442	193,872,809
NonPersonal Services								
Supplies					11,997,088	12,144,000	11,564,000	11,354,000
Energy					9,579,260	6,675,400	6,810,400	6,196,400
Communications					5,088,954	2,885,000	2,865,000	2,892,000
Building Rent					24,350,715	18,600,600	21,929,600	16,705,600
Other Services & Charges					77,435,814	92,071,100	80,597,097	70,750,097
Subsidies & Transfers					445,530,116	400,097,100	490,914,098	488,602,098
Equipment					3,082,856	4,435,000	5,036,997	4,946,996
Total NonPersonal Services					577,064,803	536,908,200	619,717,192	601,447,191
TOTAL AGENCY	4,970.4	4,949.0	5,742.0	5,096.0	790,965,595	750,423,200	821,194,634	795,320,000

Mr. DIXON. The committee will come to order. Good afternoon, everyone. We have before us the Department of Human Services and D.C. General Hospital. We will take the Department of Human Services first.

BUDGET REQUEST OF DEPARTMENT OF HUMAN SERVICES

The Department is requesting $795,320,000 and 5,096 positions for fiscal year 1994, which is a net increase of $44,896,000 and a net reduction of 444 positions below the FY 1993 enacted appropriation level. Your gross budget from all sources, and that would include Federal grants, totals $1.402 billion and 8,392 positions for an increase over last year's total budget of almost $70 million—$69,081,000 to be exact—and an increase of 150 positions above the fiscal year 1993.

In Federal funds, you expect to receive $568 million in fiscal year 1994, which is $37.6 million more than you received in FY 1993. Under capital improvements, you are requesting $2 million for two projects. And for your FY 1993 supplemental $2 million for two projects. And for your FY 1993 supplemental, you are requesting an increase of $70,771,000 from $750,423,000 million to $821,195,000.

This budget just grows and grows and grows. We have with us the director, Mr. Vincent Gray.

PREPARED STATEMENT OF DIRECTOR GRAY

Mr. Gray, if you have a written general statement, we will insert it in the record at this point.

Mr. GRAY. Thank you, Mr. Chairman.

[Mr. Gray's prepared statement and the Department's responses to questions for the record submitted by the Committee and by Congresswoman Marcy Kaptur follow:]

CHAIRMAN DIXON, MEMBERS OF THE HOUSE SUBCOMMITTEE ON APPROPRIATIONS AND MY FELLOW CITIZENS.

FOR THE RECORD, I AM VINCENT C. GRAY, DIRECTOR OF THE D.C. DEPARTMENT OF HUMAN SERVICES. I AM PLEASED TO COME BEFORE YOU TODAY TO PRESENT MAYOR KELLY'S BUDGET REQUEST FOR THE DEPARTMENT OF HUMAN SERVICES: THE FISCAL YEAR (FY) 93 REVISED BUDGET REQUEST AND THE FY' 94 PROPOSED BUDGET. AS YOU KNOW, THE DEPARTMENT OF HUMAN SERVICES PROVIDES A "SAFETY NET" FOR THE DISTRICT OF COLUMBIA COMMUNITY WHICH HAS A FAR-REACHING IMPACT ON THE LIVES OF VIRTUALLY EVERY INDIVIDUAL IN THE CITY WHILE HELPING OUR MOST VULNERABLE CITIZENS TO MAINTAIN THEIR INDEPENDENCE AND SELF-SUFFICIENCY.

I AM ACCOMPANIED HERE AT THE TABLE TODAY BY KEY DHS ADMINISTRATORS: PATRICIA WATT, THE DEPUTY DIRECTOR; RONALD COLLINS, THE CHIEF OF STAFF; AND HAZEL BROADNAX, THE CONTROLLER.

WE ALSO ARE ACCOMPANIED BY MY COLLEAGUES WHO SERVE AS COMMISSIONERS OF THE DEPARTMENT'S FOUR MAJOR OPERATING COMPONENTS WITH INTER-RELATED RESPONSIBILITIES: DAVID CORONADO, ACTING COMMISSIONER OF HEALTH CARE FINANCE; CLARICE DIBBLE WALKER, COMMISSIONER OF SOCIAL SERVICES; DR. MOHAMMAD N. AKHTER, COMMISSIONER OF PUBLIC HEALTH; AND DR. MELVIN WALKER WILLIAMS, THE INTERIM COMMISSIONER OF MENTAL HEALTH SERVICES.

CHAIRMAN DIXON, ON BEHALF OF THE DEPARTMENT OF HUMAN SERVICES AND THE CITIZENS WE SERVE, I WOULD LIKE TO TAKE THIS OPPORTUNITY TO EXPRESS OUR APPRECIATION FOR THE SUPPORT YOU AND THE COMMITTEE HAVE SHOWN THE DEPARTMENT OVER THE PAST TWO YEARS. WITH YOUR CONTINUED SUPPORT, I AM CONFIDENT THAT WE CAN CONTINUE TO MAKE THE EXECUTIVE'S VISION FOR ADDRESSING HUMAN NEEDS IN THE DISTRICT COMMUNITY A REALITY.

IN ADDITION, I WOULD LIKE TO ACKNOWLEDGE THE PRESENCE OF THE NEW MEMBERS OF THE COMMITTEE AND EAGERLY LOOK FORWARD TO FORGING A COOPERATIVE AND SUPPORTIVE RELATIONSHIP WITH EACH OF YOU.

THE BUDGET REQUESTS BEFORE YOU TODAY ARE ESSENTIAL TO OUR ACHIEVEMENT OF THE HUMAN SERVICES PRIORITIES OUTLINED BY MAYOR KELLY IN NUMEROUS FORUMS ACROSS THIS CITY. WE BELIEVE THAT DURING THESE FORUMS, THESE HUMAN SERVICES PRIORITIES GAINED THE SUPPORT OF THE BROAD COMMUNITY WHILE DEMONSTRATING THE KELLY ADMINISTRATION'S CONTINUED EFFORTS TO BUILD UPON THE SOLID GAINS OF ITS FIRST TWO YEARS IN OFFICE.

IN PARTNERSHIP WITH THE COUNCIL, NUMEROUS COMMUNITY GROUPS, NOT FOR PROFIT ORGANIZATIONS, PRIVATE BUSINESSES, AND DISTRICT CITIZENS, THE DEPARTMENT HAS, THROUGH IMPLEMENTING SPECIFIC ASPECTS OF THE MAYOR'S HUMAN SERVICES AGENDA, MADE SIGNIFICANT PROGRESS IN CREATING A NEW FOUNDATION TO IMPROVE THE DELIVERY OF

HEALTH AND SOCIAL SERVICES TO ADDRESS THE FOLLOWING CONCERNS:

- MATERNAL AND CHILD HEALTH NEEDS;
- INTERVENTION SERVICES TO YOUTH AND FAMILIES;
- SUPPORT SERVICES TO THE NEEDY;
- COMPLIANCE WITH COURT ORDERS;
- COMPLIANCE WITH FEDERAL MANDATES; AND
- FEDERAL REVENUE REIMBURSEMENT MAXIMIZATION.

WE ARE CONFIDENT THAT OUR EFFORTS TO ACHIEVE THESE PRIORITIES, AS WELL AS OUR ACCOMPLISHMENTS OF THE PAST TWO YEARS, WILL SERVE AS A SOLID FOUNDATION FOR ADDRESSING THE INCREASING HEALTH AND SOCIAL SERVICES CONCERNS THAT THREATEN THE QUALITY OF LIFE TODAY FOR MANY CITIZENS OF THE DISTRICT OF COLUMBIA.

AS INCREASING NUMBERS OF FAMILIES AND INDIVIDUALS IN THE DISTRICT, AS ACROSS THE COUNTRY, WRESTLE WITH ECONOMIC HARDSHIPS, THE DEPARTMENT HAS MOVED AGGRESSIVELY TO MAKE OUR SERVICES MORE ACCESSIBLE TO CITIZENS WHO MAY, THROUGH UNFORESEEN CIRCUMSTANCES, FIND THEMSELVES IN NEED. AT THIS TIME, I WOULD LIKE TO TAKE THE OPPORTUNITY TO OUTLINE OUR ACCOMPLISHMENTS DURING THE PAST YEAR WHICH WE BELIEVE HAVE HAD A SIGNIFICANT IMPACT ON THE LIVES OF MANY DISTRICT RESIDENTS.

o **MANAGEMENT STABILITY**

WE HAVE ASSEMBLED A FIRST-RATE MANAGEMENT TEAM TO GUIDE THE CREATION AND IMPLEMENTATION OF HIGH QUALITY, RESPONSIVE PROGRAMS AND SERVICES. THE DEPARTMENT HAS ALSO ADOPTED ACTION-ORIENTED POLICIES AND MUCH-NEEDED FORMAL CONTRACTUAL AGREEMENTS HAVE BEEN ENTERED INTO WITH SERVICE PROVIDERS TO ENSURE A HIGHER DEGREE OF PERFORMANCE AND ACCOUNTABILITY.

o **IMPROVED SERVICES TO CHILDREN AND FAMILIES**

THE DEPARTMENT HAS LAUNCHED NUMEROUS INITIATIVES AND INNOVATIVE OUTREACH PROGRAMS, INCLUDING A VIGOROUS CAMPAIGN TO IMMUNIZE A GREATER NUMBER OF YOUNG CHILDREN AGAINST CHILDHOOD DISEASES. DURING THIS FISCAL YEAR, WE IMMUNIZED 3,000 CHILDREN AGAINST CHILDHOOD DISEASES AND SCREENED 7,000 CHILDREN FOR LEAD POISONING. WE HAVE ALSO LAUNCHED OUR HEALTHY START PROGRAM WHICH WILL INCLUDE A PUBLIC HEALTH NURSE CASE MANAGEMENT SYSTEM AND BY THE END OF THE SUMMER TWO MOBILE PRENATAL CARE CLINICS WILL BE SERVING WARDS 7 AND 8 WHERE WE EXPERIENCE OUR MOST DIFFICULT INFANT MORTALITY PROBLEMS. WE BELIEVE THAT IMPROVED SERVICE TO VULNERABLE CHILDREN AND FAMILIES IS ALSO MARKED BY PROGRESS IN RECONSTRUCTING OUR AILING CHILD WELFARE SYSTEM, WHICH JUST TWO YEARS AGO WAS CITED AS "ONE OF THE WORST IN THE NATION."

ADDITIONAL ACHIEVEMENTS IN IMPROVING SERVICES TO CHILDREN AND FAMILIES INCLUDE:

- BEGUN TO DEVELOP A NEW TRACKING SYSTEM TO ENSURE THAT CHILDREN ARE IMMUNIZED AS REQUIRED BY DISTRICT LAW;
- THE HIRING OF 108 NEW SOCIAL WORKERS TO SERVE CHILDREN AND THEIR FAMILIES;
- ADOPTION BACKLOG REDUCED FROM 500 TO 75 CHILDREN;
- THE COLLECTION OF $5 MILLION ADDITIONAL IN OVERDUE CHILD SUPPORT PAYMENTS AND ALREADY THIS YEAR WE ARE RUNNING AHEAD OF FY' 92 AT AN ANNUAL RATE OF $3 MILLION; AND
- THE HIRING OF 107 NURSES TO SERVE CHILDREN IN OUR PUBLIC SCHOOLS.

o **FAMILY PRESERVATION**

THE DEPARTMENT HAS DEMONSTRATED A GENUINE UNDERSTANDING OF THE VEXING PROBLEMS THAT IMPERIL MANY FAMILIES -- A REALIZATION THAT PROMPTED US TO CREATE AND LAUNCH A FAMILY PRESERVATION PROGRAM THAT IS PROVIDING TROUBLED FAMILIES WITH THE SUPPORT THEY NEED TO REMAIN INTACT. SINCE 1992, THE DEPARTMENT HAS OPERATED TWO UNITS WHICH HAVE SERVED 91 FAMILIES WITH A TOTAL OF 293 CHILDREN. OF THAT NUMBER, ONLY FIVE CHILDREN HAVE ENTERED THE FOSTER CARE SYSTEM. EACH SOCIAL WORKER IN THESE UNITS CARRIES A CASELOAD OF JUST TWO CASES AND SERVES PRIMARILY WARDS 7 AND 8.

WITHIN THE LAST TWELVE MONTHS, THREE PRIVATE AGENCIES HAVE BEEN AWARDED CONTRACTS TO PROVIDE FAMILY PRESERVATION SERVICES. EACH SOCIAL WORKER IN THESE UNITS PROVIDES INTENSIVE SOCIAL WORK SERVICES TO TWO TO FOUR FAMILIES WHICH IS CONSISTENT WITH THE PHILOSOPHY OF THE FAMILY PRESERVATION PROGRAM.

o **COMMUNITY SUPPORT/PARTICIPATION**

COMMUNITY SUPPORT HAS PROVEN TO BE A SIGNIFICANT FACTOR IN THE PROGRESS WE HAVE MADE. BY EXAMPLE, ONE OF THE NATION'S LEADING HOME LOAN MORTGAGE CORPORATIONS, FREDDIE MAC, IS WORKING IN PARTNERSHIP WITH THE DISTRICT OF COLUMBIA GOVERNMENT TO DESIGN AND IMPLEMENT A MUCH NEEDED STATE-OF-THE-ART COMPUTERIZED SYSTEM TO TRACK CHILDREN BY WARD. THIS NEW SYSTEM WILL ENABLE US TO BETTER MANAGE THE VARIOUS COMPONENTS OF OUR CHILD WELFARE SYSTEM, INCLUDING THE FOSTER CARE AND ADOPTION PROGRAMS. FREDDIE MAC IS AMONG A GROWING NUMBER OF PRIVATE SECTOR GROUPS THAT CONTINUE TO COME FORTH TO OFFER ASSISTANCE IN SUPPORT OF THE NEW DIRECTION MAYOR KELLY HAS INSPIRED. OTHERS INCLUDE RIGGS NATIONAL BANK, C & P TELEPHONE AND CIMA, A LEADING INSURANCE BROKERAGE FIRM IN THE DISTRICT.

o **D.C. CHILDHOOD COLLABORATIVE**

AS YOU ARE AWARE, CHILDREN ARE ONE OF OUR GREATEST

RESOURCES. AS SUCH, WE BELIEVE THAT WE MUST INVEST IN OUR CHILDREN WHILE THEY ARE YOUNG TO FOSTER THE DEVELOPMENT OF PRODUCTIVE CITIZENS OF TOMORROW. WE ALSO BELIEVE THAT EFFORTS TO RESPOND TO THE NEEDS OF OUR CHILDREN MUST INCLUDE A COMPREHENSIVE, INTEGRATED SYSTEM OF EDUCATION AND HUMAN SERVICES FOR THE CHILDREN AND THEIR FAMILIES. THROUGH A COLLABORATIVE EFFORT WITH A BROAD BASED COALITION OF REPRESENTATIVES OF THE BUSINESS COMMUNITY, PUBLIC SCHOOLS, AND PRIVATE SOCIAL SERVICES ORGANIZATIONS, THE DEPARTMENT IS DEVELOPING A COMPREHENSIVE INTERRELATED EDUCATION/SOCIAL SERVICES PROGRAM WHICH WOULD PROVIDE AN INTEGRATED APPROACH TO THE PROVISION OF CHILD DEVELOPMENT AND CHILD CARE SERVICES.

USING THIS PHILOSOPHY, THE COLLABORATIVE LAUNCHED A "PILOT PROGRAM" -- AN EARLY CHILDHOOD DEVELOPMENT AND FAMILY SUPPORT CENTER WHICH SERVES TWO HOUSING PROJECTS IN THE SOUTH EAST SECTION OF WASHINGTON, THE FREDERICK DOUGLASS HOMES AND STANTON DWELLINGS. THIS PROGRAM IS DESIGNED TO BE THE LOCUS FOR THE PROVISION OF COMPREHENSIVE SERVICES FOR CHILDREN AND THEIR FAMILIES IN THE AREA SURROUNDING THE CENTER. SERVICES INCLUDE A FULL RANGE OF EARLY CHILDHOOD EDUCATION AND FAMILY SUPPORT SERVICES, INCLUDING INFANT AND TODDLER CARE, INFANT AND TODDLER MEDICAL SCREENING AND IMMUNIZATIONS, HIGH QUALITY PRESCHOOL PROGRAMS, AND BEFORE AND AFTER-SCHOOL CARE. THIS PROGRAM IS FINANCED THROUGH A PUBLIC-PRIVATE PARTNERSHIP IN WHICH THE DISTRICT GOVERNMENT AND A PRIVATE SECTOR ORGANIZATION JOINTLY SHARE THE COST FOR ITS OPERATION.

- **TURNING POINTS**

THE DEPARTMENT, THROUGH OUR ROLE IN THE MAYOR'S YOUTH INITIATIVE, IS INVOLVED IN A UNIQUE PILOT EFFORT TO BRING HOLISTIC AND INTEGRATED HEALTH AND SOCIAL SERVICES INTO OUR SCHOOLS. THE TURNING POINTS PROGRAM, BASED IN FOUR JUNIOR HIGH SCHOOLS, DIRECTLY REFLECTS OUR INTENT TO ENSURE THAT SERVICES TO IMPRESSIONABLE YOUTH ARE MORE ACCESSIBLE AND PERSONALIZED. AT THIS TIME, WE ARE SERVING 1,200 CHILDREN IN FOUR TURNING POINTS PROGRAMS. FOUR NEW SCHOOLS WILL BE ADDED IN SEPTEMBER.

- **HEALTH CARE FINANCE COMMISSION**

WE HAVE TAKEN THE NECESSARY ACTIONS TO ESTABLISH WITHIN THE DEPARTMENT OF HUMAN SERVICES, AN INDEPENDENT COMMISSION DEDICATED EXCLUSIVELY TO THE ADMINISTRATION OF THE DISTRICT'S HEALTH CARE FINANCING EFFORTS INCLUDING THE MEDICAID PROGRAM, WHICH SERVES ONE OUT OF EVERY SIX DISTRICT RESIDENTS. IN AN ATTEMPT TO CONTAIN HEALTH CARE COSTS AND IMPROVE THE HEALTH OF AFDC RECIPIENTS, THIS COMMISSION IS IN THE PROCESS OF DEVELOPING MANAGED CARE

OPTIONS FOR OVER 60,000 AFDC RECIPIENTS. WE BELIEVE THAT THE COMMUNITY IS BENEFITTING FROM THIS ACTION, AS WELL AS TWO HEALTH CARE SUMMITS FOR DISTRICT HEALTH CARE PROVIDERS, HEALTH EXPERTS, AND GOVERNMENTAL OFFICIALS, WHICH MAYOR KELLY CONVENED TO ESTABLISH A FRAMEWORK FOR POLICY DIRECTION FOR HEALTH CARE IN THE DISTRICT NOW -- AND INTO THE TWENTY-FIRST CENTURY.

o **ELEVATION OF FIGHT AGAINST AIDS**

WE ALSO HAVE ELEVATED THE OFFICE OF AIDS ACTIVITIES TO THE RANK OF AN AGENCY AND FURTHER RESPONDED TO THIS CRISIS WITH THE IMPLEMENTATION OF ONE OF THE MOST AGGRESSIVE AIDS AWARENESS PROGRAMS IN THE NATION. TODAY, THE DISTRICT IS SECOND TO NO OTHER CITY IN THE PROVISION OF SERVICES TO PERSONS LIVING WITH AIDS. AT PRESENT, WE ARE WORKING TO EXPAND EFFORTS THROUGH USE OF FEDERAL DOLLARS WHICH ARE AVAILABLE TO COMBAT AIDS. WE HAVE ALSO EXPANDED OUR RYAN WHITE EFFORTS AND RECENTLY RECEIVED A HOUSING AND URBAN DEVELOPMENT GRANT TO SUPPORT HOUSING OPPORTUNITIES FOR PERSONS LIVING WITH AIDS.

AS WE OUTLINE OUR REVISED FY' 93 AND PROPOSED FY' 94 BUDGET REQUESTS, I CAN ASSURE YOU THAT WE WILL REMAIN COMMITTED TO PROVIDING A SUPPORTIVE HEALTH AND SOCIAL SERVICES SYSTEM FOR CITIZENS IN THE DISTRICT, WHILE CONTINUING TO USE SOUND AND PRUDENT MANAGEMENT IN THE ADMINISTRATION OF THE DEPARTMENT DURING THIS FISCAL YEAR. WITH THAT AFFIRMATION, I WILL MOVE INTO A DISCUSSION OF THE DEPARTMENT OF HUMAN SERVICES' PROPOSED APPROPRIATED BUDGET REQUEST BY OPERATING COMPONENT AS FOLLOWS:

	'93 REVISED	'94 PROPOSED
HEALTH CARE FINANCE	$284,013	$287,539
SOCIAL SERVICES	281,123	279,930
PUBLIC HEALTH	109,759	103,485
MENTAL HEALTH SERVICES	127,198	125,022
MANAGEMENT SUPPORT SERVICES	19,102	11,344
STAFF REDUCTIONS		12,000
	$821,195	$795,320

WE BELIEVE THAT THESE BUDGET REQUESTS WERE DEVELOPED WITH A SOLID APPRECIATION OF THE DISTRICT'S HUMAN NEEDS AS WELL AS OF THE AUSTERE FISCAL FORECAST FOR THE DISTRICT GOVERNMENT. INDISPUTABLY, THERE HAVE BEEN ALARMINGLY STEEP INCREASES IN HUMAN NEEDS IN THE DISTRICT --AND ACROSS THE NATION-- OVER THE PAST THREE YEARS. PRESENT STATISTICAL DATA OF THE DEPARTMENT ILLUSTRATE THE DRAMATIC INCREASE IN THE HUMAN NEEDS OF OUR CITIZENS WHICH INCLUDE: A 25 PERCENT INCREASE IN THE AFDC

CASELOAD OVER THE PAST THREE YEARS; ONE IN EVERY SEVEN RESIDENTS RECEIVING FOOD STAMPS; AND 106,000 DISTRICT RESIDENTS ON THE MEDICAID ROLLS, WHILE 100,000 ARE WITHOUT HEALTH INSURANCE. THIS IS ESPECIALLY ALARMING BECAUSE-- WHEN COUPLED TOGETHER -- THE NUMBER OF PERSONS ELIGIBLE FOR MEDICAID -- AND THOSE WITHOUT ANY INSURANCE -- CONSTITUTE OVER ONE THIRD OF THE DISTRICT'S POPULATION.

CHAIRMAN DIXON, THIS REQUESTED APPROPRIATION WILL ENABLE THE DEPARTMENT TO CONTINUE BUILDING ON THE NEW FOUNDATION WE HAVE CREATED TO MOVE DECISIVELY TOWARD FULL IMPLEMENTATION OF THE MAYOR'S HEALTH AND SOCIAL SERVICES AGENDA. AND TO EFFECTIVELY FACILITATE EFFICIENT FURTHERANCE OF THESE IMPROVEMENTS TO THE HEALTH AND SOCIAL SERVICES DELIVERY SYSTEM FOR THE CITY -- EACH COMPONENT WITHIN DHS HAS ESTABLISHED PRIORITIES FOR THE IMPLEMENTATION OF ITS SERVICES AND PROGRAMS DURING THIS YEAR. THESE PRIORITIES BY COMPONENT ARE AS FOLLOWS:

COMMISSION ON HEALTH CARE FINANCE

- MAINTAIN MEDICAID ELIGIBILITY & SERVICES AT CURRENT LEVEL;
- MAXIMIZE MEDICAID FUNDING IN DISTRICT PROGRAMS;
- DEVELOP POLICIES THAT PROMOTE PRIMARY AND PREVENTIVE CARE AND ENCOURAGE OPERATIONAL EFFICIENCY; AND
- DEVELOP A LONGER RANGE GOAL FOR PROGRAM COVERAGE FOR PREGNANT WOMEN AND CHILDREN WITH INCOMES AT OR BELOW 250 PERCENT OF THE FEDERAL POVERTY GUIDELINES.

COMMISSION ON SOCIAL SERVICES

- CONTINUED IMPROVEMENTS TO THE CHILD WELFARE SYSTEM;
- IMPROVE FOSTER AND ADOPTIVE HOME RECRUITMENT EFFORTS;
- IMPROVE CASE MANAGEMENT SERVICES;
- EXPAND FAMILY PRESERVATION AND FAMILY SUPPORT STRATEGIES;
- INCREASE PATERNITY AND CHILD SUPPORT COLLECTIONS;
- CONTINUE TO IMPROVE SERVICES TO OUR HISPANIC COMMUNITY;
- FOCUS ON PREVENTION AND INTERVENTION PROGRAMS;
- EXPAND THE EARLY CHILDHOOD COLLABORATIVE;
- STRENGTHEN PUBLIC/PRIVATE PARTNERSHIP ACTIVITIES;
- REINSTATE AFDC AND GPA COST-OF-LIVING ADJUSTMENTS;
- STRENGTHEN COMMUNITY-BASED SYSTEMS FOR PERSONS WITH DISABILITIES; AND
- MAINTAIN COMPLIANCE WITH COURT ORDERS.

COMMISSION OF PUBLIC HEALTH

- MAINTAIN AGGRESSIVE OUTREACH EFFORTS FOCUSING ON:
  - o CHILDHOOD IMMUNIZATIONS; AND
  - o TUBERCULOSIS TESTING AND CARE;

- CONTINUE IMPLEMENTATION OF THE HEALTHY START PROGRAM;
- ESTABLISH HEALTH/SUBSTANCE ABUSE TREATMENT CENTERS IN WARDS 2, 5, 7, AND 8;
- IMPLEMENT METHADONE USER FEE;
- PRIVATIZE D.C. VILLAGE;
- CONTINUE IMPROVEMENTS IN THE MEDICAL EXAMINER'S OFFICE; AND
- FOCUS ON KEY ASPECTS OF AIDS COMPREHENSIVE PLAN.

COMMISSION ON MENTAL HEALTH SERVICES

- EXPAND COMMUNITY-BASED SERVICES;
- EXPAND SERVICES CONNECTED WITH DIXON MANDATES;
- IMPLEMENT THE CHILDREN'S RESIDENTIAL TREATMENT PROGRAM;
- MAINTAIN ACCREDITATION STANDARDS; AND
- OBTAIN FEDERAL FUNDING FOR CAPITAL IMPROVEMENT PROJECTS.

MANAGEMENT SUPPORT SERVICES

- REDUCE LEASE SPACE COSTS BY MOVING DEPARTMENTAL PROGRAMS INTO DISTRICT OWNED SPACE;
- REORGANIZE THE DEPARTMENT;
- RELOCATE TO ST. ELIZABETHS CAMPUS;
- COMPLETE THE MANAGEMENT REPORTING SYSTEM; AND
- COMPLETE PERFORMANCE STANDARDS FOR ALL EMPLOYEES.

BEFORE ENDING MY TESTIMONY, I WOULD LIKE TO MAKE A FEW COMMENTS ON THE MAYOR'S PLAN TO REORGANIZE THE DEPARTMENT OF HUMAN SERVICES INTO FIVE INDEPENDENTLY OPERATED DEPARTMENTS FORMING AN HUMAN SERVICES CLUSTER. THIS STRUCTURE WOULD GIVE EACH OF THE NEW DEPARTMENTS THE OPPORTUNITY TO FOCUS MORE DIRECTLY ON ITS MISSION. IN ADDITION, THIS NEW STRUCTURE IS INTENDED TO IMPROVE SERVICE DELIVERY BY STREAMLINING DECISION-MAKING AND BETTER EMPOWERING PROGRAM MANAGERS TO CLOSELY DIRECT AND MONITOR THEIR PROGRAMS.

THIS REORGANIZATION IS SUPPORTED BY A RECENT COMPREHENSIVE MANAGEMENT AUDIT OF THE DISTRICT GOVERNMENT BY MITCHELL SYSTEMS AS WELL AS THE FINDINGS OF AN EARLIER STUDY CONDUCTED BY THE RIVLIN COMMISSION. WHILE EACH OF THE NEW DEPARTMENTS WILL OPERATE AS INDEPENDENT AGENCIES, THEY WILL FUNCTION AS PART OF A CLUSTER THROUGH WHICH CLOSELY RELATED SERVICES WILL BE COORDINATED. WE BELIEVE THAT THIS APPROACH REPRESENTS YET ANOTHER MAJOR STEP IN RESTRUCTURING AN AGENCY SO VITAL IN MEETING THE HUMAN NEEDS OF SO MANY DISTRICT RESIDENTS.

IN CONCLUSION, AS YOU MEASURE THESE BUDGET REQUEST, I AM CONFIDENT THAT YOU WILL RECOGNIZE OUR EFFORTS TO FASHION AN AGENCY THAT PROVIDES THE BEST SERVICES POSSIBLE TO THE CITIZENS OF THE DISTRICT OF COLUMBIA. THE FY' 93 REVISED AND FY' 94 BUDGET REQUESTS WILL ENABLE THE DEPARTMENT TO MAINTAIN CURRENT SERVICES TO OUR CITIZENS AND TO MOVE DECISIVELY TO RESTRUCTURE OUR SERVICES TO MORE EFFECTIVELY RESPOND TO THE INCREASING HUMAN NEEDS OF OUR COMMUNITY.

THANK YOU.

QUESTIONS FOR THE RECORD

[The Committee submitted questions in writing to the Department for response for the record. The Committee's questions and the Department's responses follow:]

D.C. DEPARTMENT OF HUMAN SERVICES' RESPONSE TO HOUSE APPROPRIATIONS SUBCOMMITTEE QUESTIONS

QUESTION:

1. The budget proposes to convert public health clinics to a cost-based reimbursement system.

a. How will the cost-based system differ from the current operation of these clinics?

b. If charges are based on costs, will you price out some users? Will you increase only those costs that are reimbursed by other District health programs thus having no overall effect, or a negative effect, on the District's budget?

c. How will you ensure that no users of the clinics will be denied currently existing services under the cost-based reimbursement system?

ANSWER:

1.a Our intent in changing the reimbursement methodology for the clinics is not to limit services, but to ensure that individuals who are able to pay for services do so. Therefore, we plan to enforce a sliding fee scale. The Department is also expanding efforts to aggressively collect from third party payers. Efforts are also underway to increase Medicaid collections.

1.b Users of services will not be priced out if charges are based on costs. The rate setting principles that will be used to set rates are set forth at 42 CFR 413.13(c). Pursuant to this section of the federal regulations, public providers, and providers who furnish services to a significant portion of low income patients, are not subject to the principle of lesser cost or charges. Instead, the providers can recover costs for services provided to Medicare and Medicaid beneficiaries according to a sliding fee scale, if the patient is able to pay.

Many health services are being provided by District facilities to recipients who are eligible for Medicaid, Medicare and payment from other third party payers. The District programs are improving their collections from third party payers, which allows the District to replace District expenditures with federal and private dollars collected from third party payers. If we are successful, the effect will be positive for the District's budget.

1.c A sliding fee scale will be used by the clinics. The fees will be reasonable to ensure that no individual will be denied services because he/she cannot afford to pay. However, it is conceivable that someone who can afford to pay and is unwilling to do so may be denied services.

QUESTION:

2. Are all of the Department's facilities accredited?

   a. Is any facility in jeopardy of losing its accreditation?

ANSWER:

2. The Department's Commission on Mental Health Services (CMHS) is accredited for a 3-year period by the Joint Commission on the Accreditation of Health Care Organizations (JCAHO). The inpatient facility at St. Elizabeths Hospital, which is a CMHS facility, is accredited for a one year period by the Federal Health Care Financing Administration (HCFA). D.C. Village, which is a Commission of Public Health facility, is certified annually by the District of Columbia Department of Consumer and Regulatory Affairs.

2.a Staffing deficiencies were noted at CMHS during the JCAHO survey. Plans to correct the deficiencies have been proposed to the accreditation authority. Failure to implement the corrective actions may jeopardize the accreditation of CMHS. No other District Commission or facility is in jeopardy of losing its accreditation.

QUESTION:

3. How many of your facilities are under a special master or monitor appointed by the court? (See Attachment III, The Washington Post, 5/18/93.)

ANSWER:

3. Special Masters or monitors have been appointed as follows:

   1. The Commission on Mental Health Services (Dixon v. Kelly Consent Decree - Special Master)

   2. The Food Stamp Program administered by the Commission on Social Services (CSS) (Franklin v. Dixon Consent Decree - Special Master)

   3. Youth Services Administration, CSS (Jerry M. v. Barry Monitor of the Jerry M. case; Special Master for Suicide Prevention)

4. Child and Family Services Division, CSS (LaShawn A. v. Kelly - Monitor)

QUESTION:

4. Last year when you were here you seemed pleased that you had been able to establish a D.C. Commission on Health Care Finance (P. 3272, part 2, FY 1992 hearings).

   a. What improvements has the Commission made as far as health care financing is concerned?

ANSWER:

4.a Since the establishment of the Commission on Health Care Finance (CHCF), we have initiated a number of changes to improve health care financing and to improve access to care for District residents.

A waiver for a managed care program for AFDC and AFDC related recipients has been approved and will be implemented this fiscal year. The managed care program will improve access for Medicaid recipients and result in annual savings of approximately $3.5 million.

The Commission has implemented a disproportionate share payment program and has brought an additional $10 million to the District's two public hospitals;

A provider assessment has been implemented from which the District is expected to realize $40 million in additional revenues for the District's Medicaid program;

Changes have been made in the way prescription drugs for nursing home residents are reimbursed, which allow the District to collect rebates of approximately $1.0 million annually from pharmaceutical manufacturers;

The Commission is developing plans to implement a Diagnostic Related Group (DRG) reimbursement methodology for inpatient hospital care that will result in annual savings of approximately $1.5 million;

A resource based reimbursement methodology is being developed for nursing facility care which will provide an incentive for District facilities to admit heavy care patient , and result in an estimated annual savings of approximately $1.5 million;

The Commission is working with District-owned and operated clinics to improve third party collections,

which is expected to result in savings of approximately $5 million annually; and

The Commission has implemented an immunization tracking system for children that will enable the District to focus its immunization efforts on children who are not receiving or completing their immunizations.

QUESTION:

5. One of the questions that I have been trying to get an answer to is how much money is spent on health care delivery in the District of Columbia. You followed up and prepared a chart that shows the total estimated amount at $2.3 billion for health services and supplies for residents of the District in 1991 (p. 3278, part 2, FY 1993 D.C. hearings).

ANSWER:

5. The FY 1992 estimated expenditures for health services and supplies was $2.4 billion for the District of Columbia. We have attached a table that shows the estimated expenditures for 1992. The estimates for private household and public costs increase at a greater rate than business costs. We believe that the difference in the rate of increase is a reflection of the cost shift that is occurring as employers, including governments, increase the employee's share of health care coverage and the size of deductibles and co-pays. (See Attachment A on page 1743B, this volume.)

There is always room for error when providing estimates, as was the case with the estimate for 1991. Moreover, when numbers of this magnitude are used, the error measured in percentage points translates to hundreds of millions of dollars.

QUESTION:

6. Last year I asked about the medical assistance trust fund which would be financed by health care providers and be used to leverage Federal funds for health services (pp.3280 and 3294, part 2, FY 1993 D.C. hearings).

   a. Has the trust fund been established? If so, how successful is it, and what are the specifics as far as tax rate and so on?

ANSWER:

6.a The Medical Assistance Trust has been established. The District implemented a provider assessment this year that is expected to generate approximately $40 million in additional

revenues. Funds generated through the assessment are earmarked specifically for Medicaid services. The assessment rates are as follows:

Hospitals - 1.5% of net patient revenues

Nursing Facilities - $11.88 per patient day

Intermediate Care Facilities for the Mentally Retarded (ICFs/MR) - $15.88

QUESTION:

7. An article in the local press said that the District failed to apply for Federal aid to the homeless and that the last time period that the District applied was the second quarter 1991 (see The Washington Post, 4/06/93).

   a. Is this an isolated case or does the District frequently not apply for Federal funds that it is entitled to receive?

ANSWER:

7.a The referenced Washington Post article is in error. The District has filed for Emergency Assistance reimbursements for the homeless. The District has not failed to file claims for any Federal reimbursement program in which it participates.

QUESTION:

8. Does the Department operate a "hotline" or "crisis intervention" program that people who are experiencing problems can call?

   a. What kind of workload do you have because of this program, and what are the staffing level and costs?

   b. In your opinion, do the private, non-profit groups fill a need -- are people who need help more willing to call a private, non-government group before they would call a government agency?

ANSWER:

8. The Commission on Mental Health Services' Emergency Psychiatric Response Bureau (EPRB) operates a 24-hour a day, seven day a week telephone hotline.

8.a EPRB, which has a staff of seven persons, handles over 1,200 calls a month. The annual salaries for the seven staff members total $157,374.00.

8.b There is no evidence that private, non-profit groups are preferred over the public agency for the provision of crisis intervention services.

QUESTION:

9. What is the situation with the District's Foster Care Program?

ANSWER:

9. Over the last several years, the District of Columbia, as well as many cities throughout the nation, has been confronted with an increased number of children entering the foster care system. In FY 1992, a total of 1,680 children were in the District's foster care system. The Family Services Administration, in the Commission on Social Services, projects 2,184 children will enter the system by the close of FY 1993 and 2,839 in FY 1994. These figures reflect increases of thirty percent (30%) per year.

Although the percentage increase is significant, the most dramatic shift has been in the complex needs of the children entering the foster care system. A large segment of the children have special needs ranging from multiple disabilities to severe behavior problems. As a result of the shift in the needs of the children, the Family Services Administration is deploying more resources to therapeutic support services and intensive social work services for children and their families.

Although challenged by these developments, the Department of Human Services can report several significant accomplishments and improvements in the foster care service delivery system. Over the last year, 73 social workers and seven (7) supervisory social workers have joined the agency; the worker to child case ratios have dropped from 1:65 to 70 to 1:25 to 40. The competency level of the workers has dramatically improved as staff with Master's Degrees have assumed primary responsibility for service delivery. Training efforts have also contributed to improvements in competency as staff members have participated in eighty-hours of training with Catholic University of America, in conjunction with Howard University.

We have made management information system reforms that include interim improvements in the computer system (FOCUS system) and the completion of a system requirements analysis for future system development. The Department also conducted a 100% Case Review of all foster care and protective services cases. Data gathered from this initiative is being analyzed to aid in the development of a database that includes case histories, demographic information and federal program

eligibility data. Concomitant with the establishment of a reliable client database, the Department has developed a baseline report on federal revenues claimed and has submitted retroactive Title IV-E claims for the period January to March 1991. The baseline report will serve as the yardstick for the District's federal revenue enhancement achievements in the future.

The methods of providing services have also changed. Child welfare service delivery has been reformed to be consistent with a philosophy of family reunification and stabilization. New programs have been initiated using the national model of Families Together and innovative adoption procedures. The Families Together Program has been a successful effort to prevent the disruption of District families and placement of children into foster care. The Department operates five (5) Families Together units (three (3) units are provided under contracts). Between January 9, 1993 and April 9, 1993, 104 families with 331 children were served by these units. Twenty-two of these families were known previously to the Family Services Administration. Through the family preservation program, foster care placements were avoided for 275 children in 82 families.

QUESTION:

10. What is your most recent AFDC error rate, and how does it compare with the AFDC error rate for each of the past five (5) years?

ANSWER:

10. The most recent AFDC error rate for FY 1992 IS 5.07.* The error rates for the previous five years are as follows:

Fiscal Year		
	1991	5.8%
	1990	3.8%
	1989	5.3%
	1988	5.9%
	1987	8.8%

* Subject to Federal Review.

Answer to Question 5:

FY 1992 ESTIMATED EXPENDITURES FOR HEALTH SERVICES & SUPPLIES
FOR D.C. RESIDENTS BY SOURCE OF PAYMENT
(Dollars In Millions)

PRIVATE HOUSEHOLDS

Expenditure Category	Expenditures	% of Total
Out-of-Pocket Expenses	$301.7	(12.1)
Insurance Payments	$117.3	(4.7)
Total Private Households	$419.0	16.8

BUSINESSES

Expenditure Category	Expenditures	% of Total
Insurance Payments[1]	$52.3	(2.1)
Other	$71.2	(2.9)
Total Businesses	$123.5	5.0

PUBLIC

Expenditure Category	Expenditures	% of Total
Medicare	$476.3	(19.2)
Medicaid	$515.0	(20.7)
Commission On Public Health	$158.0	(6.4)
Commission on Mental Health	$182.7	(7.3)
D.C. General	$158.8	(6.4)
Total Public	$1490.8	59.9

OTHER

Expenditure Category	Expenditures	% of Total
Other[2]	$453.1	18.2
TOTAL EXPENDITURES	$2486.4	

[1]Includes worker's comp, in-plant medical expenses, etc.

[2]Includes CHAMPUS, VA benefits, vocational rehabilitation, direct District expenditures, etc.

QUESTIONS FOR THE RECORD

Congresswoman Marcy Kaptur

Question

1. I noticed that the Government of the District of Columbia (DC) spends 3.7% of its budget on mental health services, which $191 M and over 3,000 FTEs requested for Mental Health Services Programs in 1994. Where do the five major service programs take place, and how is funding allocated among the sites? Please attach figures on funding for St. Elizabeth's over the past five years, including FY 94.

Response

The five major programs within the Commission on Mental Health Services (CMHS) represent administrative entities, rather than physical locations of service. The Office of the Commissioner (CM) provides central direction, patient advocacy, laboratory, pharmacy and intern and resident training. As such, CM provides services to all of the entities of the CMHS. The pharmacy operates 17 satellites, including St. Elizabeths and will provide pharmaceuticals to all customers of the Department of Human Services. The Office of Administration (OA) provides financial management and facility support services to all of the Commission's programs. It includes information services, housekeeping, dietary, laundry, warehouse, maintenance and transportation services. Several of these services are also available to the entirety of the Department of Human Services. The three clinical administrations include Child and Youth Services (CY), Forensic Services (FO) and Adult Services (AS). Each administration is responsible for inpatient services (at St.

Elizabeths), outpatient services, community-based residential services and outreach, including services to the homeless.

The Commission operates St. Elizabeths Hospital, three major Community Mental Health Centers, and several satellite programs, including clinics at several D.C. schools and the D.C. Jail. It also operates the Hurt Home, a residential treatment facility for children. In addition to these services, the Commission also anticipates awarding over $36 million in contracts with private mental health providers, including about $14 million in services with facilities located outside of the District of Columbia.

Funding for inpatient programs at St. Elizabeths for the past five years is as follows:

FY	Amount
1990	130.6
1991	126.8
1992	125.4
1993	121.3
1994	120.7

Question

2. Please detail the DC Government's response in the past year to the needs of people who are both mentally ill and homeless, and indicate any future plans in this area.

Response

In the past year, the Commission on Mental Health Services (CMHS) provided mental health outreach to 1,250 persons who were both homeless and mentally ill. The Commission arranged for housing for 82 of these persons and enrolled 400 in ongoing clinical services. By FY 1994 year end, CMHS will arrange for housing for 250 homeless mentally ill and will have enrolled 750 in ongoing clinical services. In total, mental health outreach will be provided to 2,275 homeless mentally ill.

ISSUES OF INTEREST TO THE COMMITTEE

Mr. DIXON. If you would like to summarize it, I would be pleased to receive that testimony at this point. There are several issues I would like for you to talk to us about. If you could talk about Cedar Knoll—and I am glad to hear that it is closing. If you could talk about the total costs, both private and public, for the delivery of health care here in the District; if you could talk about how the trust fund that you discussed last year is working out; if you could hit all of those medical issues, I would be pleased to hear all that.

Mr. GRAY. Thank you very much, Mr. Chairman, and let me say good afternoon to both you and to Mr. Walsh. We are very pleased to be here.

SIZE OF BUDGET

Mr. DIXON. It is safe to say that with over a billion dollars, yours is the largest budget of the District government.

Mr. GRAY. Indeed, with some of the largest needs.

Mr. DIXON. Right.

SERVICES PROVIDED BY DHS

Mr. GRAY. We are very pleased to be here this afternoon to present our budget to you and to try to answer any questions that you may have. As you properly pointed out, ours is the largest budget of any single agency in the District of Columbia and I think we properly regard ourselves as a safety net for some many vulnerable citizens who depend upon human services—public health, social services, health care finance and, of course, mental health services in the District of Columbia, in some cases to literally survive.

INTRODUCTION OF STAFF

Let me begin by introducing those who are here with me. On my right is our Deputy Director, Patricia Watt. On her right is our Controller, Hazel Broadnax. Behind me in that crowd is our Chief of Staff, Mr. Ron Collins, who worked for so long for the City Council and whose services we now have the benefit of in the Department of Human Services. I am also joined by our four commissioners who are to my left. Beginning with our Commissioner of Social Services, Clarice Walker; next to Commissioner Walker is Dr. Mohammed Akhter, our Commissioner of Public Health. Next to Dr. Akhter is David Coronado, Commissioner of Health Care Finance and on my extreme left is our Interim Commissioner of Mental Health Services, Dr. Melvin Williams.

APPRECIATION OF COMMITTEE

First of all, Mr. Chairman. Let me say we appreciate the committee's support. This is my third time here, which for this particular job is getting to be a record. It is a pleasure to come here and we have appreciated the welcome we have received in the past and, again, looked forward to being here today to talk about those issues that are important to the human services agenda in the city. Also, we do welcome you, Mr. Walsh to the committee and we certainly look forward to working with you around these issues, as well as other issues that affect the District of Columbia.

Mr. WALSH. I appreciate that. Thank you.

FORMULATION OF DHS BUDGET

Mr. GRAY. You are welcome. We have fashioned our budget uniquely this year, and you probably have heard much about it heretofore, in what I think was an unprecedented opportunity for the public to participate in the shaping of how the District's resources will be expended for the balance of this fiscal year and next fiscal year.

The Mayor conducted a number of forums across the city where citizens had an opportunity to speak to what they saw the priorities being and certainly we heard many things about what people thought ought to be the priorities of the human services agenda in the District of Columbia. We think our budget, indeed, reflects the will, if you will, of the citizens of the District of Columbia.

We also think in the two-plus years that we have been there that we truly have begun to create a new foundation for human services in the District of Columbia, a foundation that we think will have a lasting effect in how human services will be delivered now and in the future. As a result, we have established broad priority areas to guide how the resource allocations will be achieved in our particular arena.

SETTING PRIORITIES

First of all, and foremost, our top priority is addressing maternal and child health needs, intervention services to youth and families, support services for the many people in the District of Columbia who are needy; compliance with the numerous court orders with which we are confronted every day; of course, compliance with federal mandates that we face; and then, finally, aggressively and proactively moving to maximize Federal revenue reimbursements to the District of Columbia.

ACCOMPLISHMENTS IN PAST YEAR

I would like to turn, if I might, and hopefully in the process address some of the issues you asked about, Mr. Chairman, but I would like to share with you some of the accomplishments we have made in these two years and particularly in the last year.

First of all, I think fundamental to all of this is the first rate management team we have assembled that has brought about much needed management stability in the Department of Human Services.

As I look up and down this stable, one of the things I feel especially proud about is the fact that virtually everybody sitting at this table was with us at this time last year. We have had an opportunity now to work together to create a good team an also to do things like get contracts in place for all of those with whom we do business. When we got here there were 280 handshake agreements between the Government and private providers and I am very pleased to say that we now have legal instruments in place with everyone with whom we do business in the Department of Human Services at this point.

The second area is, again, our top priority and that is the areas in which we have improved services to children and families. First of all, we have been very much a part of the immunization effort in the District of Columbia and I know our colleagues at D.C. General have been very aggressive in doing the same thing. In total we have been responsible during the last year for the immunization of 3,000 children with the leadership being provided through our Commission on Public Health.

I look forward to intensifying that effort even more as we launched our second year of this effort in April. Also, through our lead poisoning and screening programs, we have screened some 7,000 children in an intensified effort there. We have now launched our Healthy Start Program, which we think will make an enormous difference in the health of our children.

PRENATAL PROGRAM

Beginning this summer, we will have in place a Public Health Nurse Care Management System in which we will have public health nurses who will literally go out into the homes of pregnant women to try to link them with services and serve as a broker, if you will, between themselves and the service system that they will obviously need in order to access good prenatal care.

A second component, which we think is very unique, we will involve two mobile comprehensive prenatal care clinics that will be in place this summer, one in Ward 7 and one in Ward 8, and they will literally go out throughout the wards making prenatal care available to women who otherwise would not access services.

INFANT MORTALITY

As I am sure all of you know, our infant mortality rates in general are higher in the District of Columbia and the highest in Ward 7 and 8. We have seen some drop in those rates and we think we will over the life of the Healthy Start Program over the next four years, we will see a substantial drop in infant mortality rates as a result of creating new and improved access to health care for women who live in those particular areas of the city.

FOSTER CARE SYSTEM

I well remember my first trip here when we talked a great deal about our child welfare system, our foster care system, and we are very proud of the work we have been able to do there. By no means have we created a model system at this stage. I think we are probably three to four years away from being able to make that statement, but we have made enormous progress in beginning to make sense of a service system that arguably was in the worst disarray of any I have every seen.

MEDICAID ELIGIBILITY OF YOUNG PEOPLE

We also, through our Health Care Finance Commission, have created a new and innovative immunization tracking system. What was not known is fact, that was discovered by our Health Care Finance Commission leadership. Seventy to 75 percent of the children, the babies born in the District of Columbia are medicaid eli-

gible, which is a powerful statement about the economic conditions which many of our people live in in the District of Columbia, but on the positive side, it is a statement of how we, right from the very time that someone becomes pregnant, will have the ability to know who are these women and children and to be able to provide an effective tracking system as soon as they are born so that in that critical zero to two-year period they will be immunized at the four critical developmental points.

Mr. DIXON. You say 75 percent.

Mr. GRAY. Seventy to 75 percent over the last five years have been children who are medicaid eligible, which is a staggering statistic, but, again, we look at it from the positive side and that is there are scarce opportunities available to them, and if we are proactive and aggressive we certainly can get a handle on them from the time they are born.

Mr. DIXON. Okay.

HIRING OF SOCIAL WORKERS

Mr. GRAY. We also, as part of our child welfare system, have hired 108 new social workers. When we got there we had a 55 percent vacancy rate. In fact, there were more vacancies than there were social workers and we have now begun to fill those vacancies and begun to fashion a personnel force that we will make a difference.

ADOPTION AND CHILD SUPPORT

We reduced our adoption backlog from 500 children to 75. Our child support collections, which are from so important increased by $5 million in fiscal year 1992 and through about two-thirds of this fiscal year, we are running another $3 million ahead of fiscal year 1992, again, an important component especially as it impacts areas like our AFDC budget.

SCHOOL NURSE PROGRAM

We also now have nurses in every one of our schools providing services for at least 20 hours a week to children throughout the District of Columbia Public School System.

FAMILY SERVICES

One of the most unique programs we have developed is the program called Family Preservation. Heretofore, when we arrived, the typical response of the Protective Service System was to go in, identify an incidence of abuse and neglect and for the most part to remove children from those situations and place them in foster care.

Family preservation is designed to do something different than that. It does an analysis. It does an assessment and says, well, we think there are some factors here if we work with this family we may be able to keep them unified. We don't have to remove these children. We now have five family preservation units in place. Two of them are government-staffed and three are contracted with private sector agencies.

Each team consists of five social workers who have only two cases each. they actually go out and spend upward of 20 to 25 hours with each family and the data, even though preliminary at this stage are very impressive. We have worked with 91 families involving 293 children and only five of those children to date have gone into foster care

ASSISTANCE FROM GOVERNMENT AND PRIVATE SECTOR

In addition to that, we also have looked to the community to provide support to the human services agenda. We have been very pleased to receive support from Freddie Mac, a noted national firm. They have committed staff and resources to help us develop a state-of-the-art computer system to track the children who are in our foster care system, as well as systematize other components of our child welfare system.

We have also had in-kind resources contributed by the C&P Telephone, By Riggs Bank and the Corporate Insurance Management Associates, which is now working with us on a variety of insurance issues around our residential programs.

ASSISTANCE TO CHILDREN

Also, in the spirit of improving services to children, we have developed the early childhood collaborative, another public-private partnership. We opened our first center in February in the Frederick Douglas and Stanton dwellings area in Southeast, again in Ward 8. It is a program that brings public and private resources to bear on a community that has extraordinary needs, providing infant and toddler care, infant and toddler medical and immunization services, preschool services and before and after care services.

Also—again, focus is on Wards 7 and 8 because that is where we have some of the greater needs in this city. In that regard we have developed a program that is call Turning Points. We now have an integrated health and social services program in four union high schools in the District of Columbia. In essence, they theory being that why not take our services right into the schools, into the educational setting and, frankly irrespective of what one may think about the quality of the schools, next to the family the best place to reach kids is in an educational setting.

These services include health services, mental health services, substance abuse prevention and counseling, outreach, case management and a variety of other services that work, not only with the children who are there, but also their families.

We will be expanding that program in the next school year to include four additional junior high schools that will allow us then to reach approximately 4,500 students in total.

HEALTH CARE FINANCING

In the health care finance area there are a number of initiatives that we have under way, but the most important for us is the move to a managed care system. We will have Mr. Coronado talk a little bit about that later on, but the Health Care Finance Administration at the Federal level approved a waiver for us just last month in April to begin a managed care program which, in effect, will cre-

ate a medical home for every one of our AFDC recipients who now number about 66,000.

As we know, many of our residents use emergency rooms and other crisis forms of care to access health care services. This will give for the first time everybody a provider of record, a provider they can relate to and hopefully allow us to be more proactive in providing health care services to a very needy population in the District of Columbia. Again on the health side we have elevated the fight against AIDS. We have raised the visibility, if you will, of our office of AIDS Activities to an Agency on HIV–AIDS within the Public Health Commission.

FEDERAL ASSISTANCE FOR HIV-AIDS

We will, by the time this fiscal year end and fiscal year 1994 begins have generated about $21 million in Federal funds to fight HIV and AIDS and we also will continue to implement what we think to be one of the most aggressive five-year comprehensive plans nationally to deal with HIV–AIDS. This plan was launched a year ago by the Mayor.

CONDOMS AND CLEAN NEEDLES

Mr. DIXON. Is it the dispensing of condoms and clean needles?

Mr. GRAY. We have condom availability in all of our senior high schools now and four junior high schools, the Turning Points schools since we have intensive staffing. We will add four more junior high schools when the new Turning Points Programs come on board. We are also making condoms available in the correctional system.

Mr. DIXON. Aren't you making them available through some clinics for adults?

Mr. GRAY. We do. Maybe you want to talk about that, Doctor Akhter.

Mr. DIXON. All right. I will get to them. I read a story in the press that when this program began there was some reluctance on the part of the clients and as a result there wasn't much business at first. I think it was mostly in the program for providing clean syringes.

NEEDLE EXCHANGE PROGRAM

Mr. GRAY. The Needle Exchange Program experienced considerable reluctance. We conducted that on a pilot basis. We have a relatively small number of people enrolled. Johns Hopkins University is conducting an evaluation of the pilot effort that we did, so that as we go back and ask the council for authorization to continue it, we will not only be able to record the results of their pilot effort, but also to demonstrate how we will make improvements in the program.

New Haven and other places have had very good success with the experience with needle exchange, and given the fact that I–V drug use is the second most prevalent reason for HIV transmission at this point, we obviously want to intervene in some fairly radical ways to stem the tide of transmission of the HIV virus

AVAILABILITY OF CONDOMS

Mr. WALSH. Are you giving free condoms out in jail and schools?

Mr. GRAY. Yes.

Mr. WALSH. Why not everywhere else.

Mr. GRAY. When you say where else, what do you have in mind?

Mr. WALSH. You have to go to jail or go to school to get a free condom, is that the idea?

Mr. GRAY. We are focusing on areas where there is tremendous vulnerability. First of all, we had some data that indicated the sexual activity of our teenagers, for example, was at a very high level so we started to focus on the kids, initially. We also knew that the data, as best we have it in our correctional system indicated that 16 to 20 percent of our prison population tested positive for HIV so we are focusing on those two populations initially.

We do, as the chairperson asked earlier, disseminate condoms in our clinics and perhaps there are other places.

CLEAN NEEDLES IN SCHOOLS

Mr. WALSH. How about clean needles, do you administer those in schools, too?

Mr. GRAY. No, we do not.

Mr. WALSH. No. Why not?

Mr. GRAY. First of all, we had to seek authorization to have a Needle Exchange Program. We asked the council for permission to do a pilot study which was administered through our alcohol and substance abuse clinics. We thought that was the best place to start since that is where the expertise lay. It doesn't mean that we may not do that in the future, but again we were conducting a pilot effort initially.

CONDONING SEXUAL ACTIVITY

Mr. WALSH. Well, I obviously disagree with this policy and it just strikes me that if you, if we are condoning—I am not saying that it won't exist, but if you are condoning sex among young kids in school by handling out condoms, why not condone drug use, too? Why not provide condoms on the street for free? Why not provide needles in government buildings for free? It strikes me that this is condoning activity. Are there other approaches to these two issues that we are not hearing about that discourages intravenous drug use and discourages premarital sex?

Mr. GRAY. Let me ask Dr. Akhter, our Public Health Commissioner, to speak to some of that. However, I don't want to suggest we are condoning anything. I think we are recognizing the reality of what exists. We have studies that indicate 75 percent of our teenagers, tenth graders in the District of Columbia, already have engaged in sexual activity.

ENCOURAGING ABSTINENCE

I think we also would agree that the only safe sex is no sex, but we have to meet the problem where it is at this point.

Mr. WALSH. Is that being discussed in schools, too.

Mr. GRAY. Yes, it is and we are investing resources in an abstinence program. We are working with the Church Association for

Community Services, which is developing curricula for us and taking responsibility for helping to begin training kids in abstinence, but that clearly is a long-term investment. Our view is that, yes, it is the basic approach that ought to be utilized, but the reality is we have got to meet our kids where they are.

Mr. DIXON. You also had some television announcements, that I have seen.

Mr. GRAY. I think we would agree that abstinence is clearly the best policy. There is no safe sex other than abstinence, but again if the reality is that is where we are, we have got to do something to combat a situation where certain behaviors are already evident.

Mr. WALSH. I don't want to belabor it. I just wanted to make that point and I will leave it alone.

Mr. DIXON. Go ahead, Mr. Gray.

FORCES DRIVING DHS BUDGET

Mr. GRAY. Okay. Well, in any event, turning to our budget request, Mr. Chairman, you have properly laid out the bottom line for us. There are five major areas in our budget. Health care finance is the principal area which has largely been driving our budget. The numbers have gone up at a meteoric pace over the last several years, reflecting the numbers of people who have medicaid eligibility, as well as the increase in health care costs.

MEDICAID BUDGET

Our medicaid budget, for example, for fiscal year 1993 is requested at $284 million and then for fiscal year 1994, $287 million dollars.

TOTAL COST OF HEALTH CARE DELIVERY IN DISTRICT

Mr. DIXON. And I think at some point in time your provided me with a chart which was kind of an estimation of $2.3 billion spent in the District for medical purposes and that would include both the private and public sectors.

Mr. GRAY. That is right.

STABILITY OF STAFF

Mr. DIXON. I congratulate you on the things that seem to be moving well. One of the encouraging things is, yes, the same people are in place that have been in place for a period of time and, obviously, continuity and stability have been a problem in the District in the 14 years that I have served on this Committee.

MEDICAID PROGRAM

Are you or someone here prepared to walk me through the medicaid program and how it works? I believe you said that 75 percent of the newborn babies are medicaid eligible.

Mr. GRAY. Yes.

Mr. DIXON. Let's start right there. Walk me through that process. What is the eligibility and then explain the issue as to whether or not the District should use a different formula. Some people have advocated that. But if you would, walk me through the whole thing. Assume I know nothing about it and start me from eligi-

bility, how you get your reimbursement, when you don't, why, the whole thing. Explain to me how it works.

Mr. CORONADO. In terms of medicaid. Medicaid basically has two kinds of eligibility; categorical and medically needy. To be categorically eligible you must be aged, blind or disabled, or you must be on AFDC or AFDC related. If you fall into one of those categories and are not enroll in medicaid and are admitted to a hospital the first thing that would happen would be that someone from the financial office would contact you, and would try to determine whether or not you could pay, whether you were insured or whether you happened to be eligible for medicaid.

If you were not covered, then they would complete the applications for you, or at least help you see that they got completed, and they would send them to the Commission on Social Services.

If you were found to be eligible, then that provider would bill the medicaid program for the services that were provided to you. The bill would be sent to our fiscal agent and the claim would be adjudicated. That is to say that the fiscal agent would make a determination of whether or not that person was eligible on the date the service was provided; whether that service was a service that was covered by our program; and, whether that provider was an enrolled provider and was eligible for payment.

If all of those three things happened to be yes, then there would be a determination made that payment should be made. That information goes into a record, a check is cut and is then issued to the provider.

In terms of eligibility, the District covers every optional and, of course, mandatory category. In terms of services that are covered, the kinds of benefits that people have——

NATIONAL FORMULA FOR AFDC AND MEDICAID

Mr. DIXON. I have an article from the Washington Post dated March 9, 1993 where Phil Dearborn states that the national formula for AFDC and Medicaid reimbursements should be changed for the District.

Mr. Gray says that 75 percent of the children born here are medicaid eligible. My question is what does that mean? Does that mean that 75 percent of the mothers giving birth are either on AFDC or are blind or disabled?

Dr. CORONADO. It means that they are either AFDC or they have an income at or below 185 percent of poverty. It is unlikely they are going to be disabled.

Mr. DIXON. It primarily is AFDC.

Dr. CORONADO. That is correct. Your question, whether or not the national allocation formula is correct, I don't believe it is. There was a basic assumption made when the Federal allocation formula was developed that a State or locality that has a medicaid program had a normal distribution of income. And in most States that, in fact, is the case.

DEMOGRAPHIC CHANGES IN DISTRICT

However, in the District because of our geography and our demographics, we have almost a bimodal distribution. We have many people who are very, very poor and they happen to be young people

who are of child-bearing age, and we have many people who are in upper income brackets and they tend to be people who are older. So, we have a concentration of very young, very poor people.

And, we are seeing a concentration of older people who are very wealthy. Neither of those categories tend to pay income taxes, or at least tend to pay very little income taxes. That middle category of people who usually winds up paying the income taxes are not here. The other usual revenue sources that you see in other States do not exist in the District. The three largest employers in the District are the Federal Government, the District Government, and not-for-profit institutions, none of which pay taxes.

CONSTRAINTS ON INCOME GENERATION

Approximately 60 percent of all the property in the District belongs to those three types of organizations, and is therefore, not taxable. So there is very little that we can do to generate the kind of income that other States depend on to support Medicaid. The major problem with the formula is the basic assumption I have just mentioned and the fact that there is no consideration given to the proportion of people who live in the District who are below the poverty level.

Mr. DIXON. I think you are right, Doctor. You see I have maintained that that is the source of many of the problems, not only the medical problems. You don't have a bell curve here and that is the problem in many areas of the city's functions, whether it is education or anything else. There is always an assumption that there is an equal distribution in any geographic—that applies to the politics and everything else here. It would apply to questions that are placed on the ballots. It would just apply in general.

CONCENTRATION OF EXTREMES

Mr. DIXON. You have a high concentration of people who are very affluent, many of those are not voters or residents here. And then there is a high concentration of people at or below poverty. What we are both saying is you don't have a good economic mix of people.

Dr. CORONADO. Nor the means of generating the income that States normally have.

Mr. DIXON. Exactly.

Dr. CORONADO. Some of which has been imposed on us by Congress as part of the home rule charter.

RISING CASELOADS

Mr. GRAY. Some of that is reflected, too, Mr. Chairman as you look at some of the human indicators, if you will, in the District. Our AFDC caseload has risen 25 percent in the last three years. We have 106,000 people on medicaid, another 100,000 without insurance, which is 36 percent of our population. One in every seven residents is on food stamps.

MEDICAID ELIGIBILITY AND SERVICES

Mr. DIXON. I didn't mean to cut you off. You got me to eligibility and you were about to start on what kinds of things they were eligible for.

Dr. CORONADO. Okay. Of the 30 mandatory and optional services that are offered by the Medicaid Program the District covers 24, soon to be 25.

Mr. DIXON. Say that again, I am sorry.

Dr. CORONADO. There are 30 mandatory and optional services that can be covered by a medicaid program. In the District we cover 24, soon to be 25. The ones that we don't cover are Christian Science sanitaria, Christian Science nursing, adult dental, chiropractic, case management although targeted mismanagement is something we are going to be covering soon, and respiratory care.

MEDICAID PROVIDERS

And in terms of providers, we have over 13,000 enrolled providers participating in the program. About a thousand of them are in Maryland or Virginia. We have 16 hospitals—I am sorry, 17 hospitals, 16 nursing homes, about 7,800 physicians of whom about 1,800 are primary care physicians. Unfortunately, only about 98 of those physicians are in Wards 7 and 8 where about 45 percent of our AFDC population resides.

EMPHASIS ON MANAGED CARE

Reforming the Medicaid program payment methodologies are among my highest priorities because they tend to favor institutionalization rather than community-based care. The implementation of managed care will also help us to shift care from institutions to community-based settings.

WAIVER OPTIONS

We had no waiver in the city before we received the managed care waiver this past April the only program in the entire country that had not. We are now working, as well, on a home and community-based care waiver, several of them, in fact. Our top priority is a waiver for services for the mentally retarded. The next will be a waiver for services for the aged. We also are going to be doing a AIDS waiver so we can provide a continuum of care for people with AIDS from the moment they are found to be HIV positive to the moment they no longer need care.

We are also considering developing a TB waiver because that is a problem that we are now facing that is going to grow much greater in the future. We are also looking with a great deal of interest at the section in OBRA 1993 that speaks to a new optional category of eligibility for Medicaid persons with tuberculosis in medicaid if that should emerge as part of the final bill. If it does, I am going to recommend that we adopt it. However that legislation does not allow for the coverage of inpatient care for TB patients, which is getting to be quite a problem for us. We expect that it will cause forever increasing uncompensated care, so we will probably develop a separate reimbursement methodology for that particular service that will recognize the greater length of time and the greater resources that are involved in treating patients with tuberculosis.

DEFINITION OF "UNINSURED"

Mr. DIXON. When Mr. Gray says there are 100,000 people uninsured, does that mean they are not medicaid eligible?

Mr. GRAY. No, they typically are people who are just above the means test to be medicaid eligible, oftentimes people who have jobs but the employer doesn't offer insurance or——

Mr. DIXON. They are not medicaid eligible?

Mr. GRAY. That is right.

Mr. WALSH. Implying medicaid people have health insurance.

Mr. DIXON. That is what you mean when you say a person is uninsured. So generally they would be employed people without private insurance who are not eligible for Federal government insurance.

Dr. CORONADO. Primarily, but you have to remember that there is a category of people who are likely never to be eligible for medicaid and that is males between the ages of 21 and 64. Unless they happen to be blind or disabled, it is not likely that they are going to be eligible for medicaid because of the categorical nature of the program.

Mr. DIXON. If I understand you correctly, then that means you are limiting the number of people that are continually using these services, aren't you? I mean, you are shrinking it more and more. You are saying we mean between 24 and——

Dr. CORONADO. Twenty-one and 64.

Mr. DIXON. Twenty-one and 64.

Dr. CORONADO. Are by Federal law because of——

NUMBER OF MEDICAID ELIGIBLE DISTRICT RESIDENTS

Mr. DIXON. Right, I am not arguing with you. How many people are medicaid eligible in the District?

Mr. GRAY. Well, we have 106,000 who are currently on our medicaid roles.

Mr. DIXON. And you have another 100,000 roughly, that are not medicaid eligible.

Mr. GRAY. And don't have any form of insurance.

Mr. DIXON. So 210,000 people.

Mr. GRAY. Thirty-six percent of our population, when the two numbers are combined.

Mr. DIXON. And then somewhere in there you factor in the fact that men 21 through——

Dr. CORONADO. They are part of that 100,000.

Mr. DIXON. They are part of that 100,000.

Mr. GRAY. Right. And there are children who are part of that 100,000, maybe a working parent who can't afford to cover his or her dependents because of the manner the insurance is structured in the work place or the costs.

Mr. DIXON. Go ahead, Doctor, and you can finish up.

CONTROLLING HEALTH CARE COSTS

Dr. CORONADO. We are looking also at doing quite a number of other things. We know, for example, in the District that the dollar drives a great deal of behavior when it comes to health care and

that is, in fact, why we are doing some of the things that we are doing.

For example, we are going to limit the amount of money that we pay hospitals for care that is provided to medicaid recipients in an emergency room that is not emergency care. And part of the reason that we are doing that is because it is very difficult for people to change their behavior and not seek care in an emergency room. So we want to enlist the providers. They have been very comfortable with accepting the payment. It has been low but they would have wished it were more.

Mr. DIXON. But don't most of them, including D.C. General Hospital, claim that they have a high number for which they are not reimbursed?

Dr. CORONADO. They do, but we are talking about medicaid recipients. It they are medicaid recipients, most hospitals are very, very aggressive about determining eligibility and seeking reimbursement. Even if they are not particularly happy with the amount of it, they do seek it.

Mr. DIXON. As they should.

Dr. CORONADO. Indeed.

Mr. DIXON. I thought you were criticizing the hospitals and inferring that they shouldn't be seeking it.

Dr. CORONADO. No, no. Indeed, they should. But what we are trying to do is enlist providers in our struggle to educate patients in how to access the health care system and we are going to do that concurrently with managed care so that patients will have another place to get care other than in an emergency room.

COST OF EMERGENCY HEALTH CARE

Mr. DIXON. I understand. Well, now, I don't know what the figure is. We have a chart here someplace of all of the emergency facilities and what they claim is their nonreimbursable. And if I hear you correctly, I am just trying to understand it. What is the figure? I think Mr. Chastang knows.

Mr. CHASTANG. What percent of my patients are uninsured?

Mr. DIXON. Do you know the figure when you add the costs for all the hospitals?

Mr. GRAY. Uncompensated?

Mr. CHASTANG. It exceeds $210 million.

Mr. DIXON. If I hear it right, 100,000 people are driving that figure. They would be the people that are not medicaid eligible or have no insurance, and you say it is approximately 100,000 people. They are driving—what is the figure?

Mr. CHASTANG. About $210 million.

ACCOUNTING FOR EXCESS COSTS ABOVE REIMBURSEMENTS

Mr. WALSH. Would that not include the cost of providing care that the hospitals don't think medicaid covers?

Dr. CORONADO. They should not. Those are contractuals and when they accept the medicaid or medicare as payment, they agree they are accepting it as payment in full.

Mr. DIXON. The hospitals are not saying that they billed for one amount and got a check back for another and the difference is classified as uncompensated care. They are saying these are people we

are treating and we put through the paperwork but they are not eligible. So these 100,000 uninsured people are driving this $210 million.

"DEDUCTIBLE" CHARGED AS UNCOMPENSATED CARE

Dr. CORONADO. Well, there is another category.

Mr. DIXON. Okay.

Dr. CORONADO. I had occasion to speak with someone from the hospital association. They mentioned to me the other day that there is a growing number of individuals who are insured but cannot afford to pay the deductibles. And hospitals are counting that as uncompensated care as well.

Mr. DIXON. So the deductible is a condition or precedent that you have to pay before the insurance company will pay?

Dr. CORONADO. Well, they both pay. It is just that most insurance plans include some deductibles, whether it is a $10 co-payment that you do——

Mr. DIXON. What I am saying, are the hospitals including in their nonreimbursable the total amount of the bill or just the deductible?

Dr. CORONADO. Just the deductible.

Mr. DIXON. So the insurance company goes ahead and pays their share?

Dr. CORONADO. That is correct.

Mr. DIXON. The amount couldn't be that much.

Dr. CORONADO. I don't know. They seem to think it is a significant amount and growing. Certainly not half, certainly not even one-third, but a substantial amount.

MENTAL HEALTH CARE

Mr. DIXON. Doctor, let me ask you about the mental health facilities here in the District. The committee is as torn about various priorities. I don't know if you were here two years ago.

Dr. WILLIAMS. No, I wasn't.

Mr. DIXON. All right then. There is a nonprofit organization in the District called the D.C. Institute for Mental Health. Their plea is not unlike that of many organizations unrelated to health. They have a parallel function that the city has and then you ask, "well, why are you doing something the city is doing?" and generally either one of two reasons is given. Either the city is not doing a good job or in the case of the D.C. Institute they say there are a large number of patients in need of some assistance but the city cannot or does not service them.

Your predecessor generally agreed that D.C. Institute does a good job. The issue isn't whether they do a good job or not. From everything I have heard they do an excellent job, but their plea is that they need some money from the Federal government or out of the D.C. budget because they are in fact supplementing what the District government is doing.

That argument is made in a lot of cases. In the medical area, the hospitals, that is what they are saying; "hey, we are footing this bill," I think Howard University had to lay off some 300 nurses. They said they just couldn't absorb any more uncompensated costs.

Now as it relates to mental health, what is your assessment? Are you familiar with the D.C. Institute for Mental Health? At least you know they are practicing medicine there. We would like to have your views on this because we want to know. You see they come in and they ask for a relatively small amount of money and for that small amount of money, they say they can help you do a great deal of good. They do get other private funds. I don't know if I have made myself clear.

Dr. WILLIAMS. Yes.

Mr. DIXON. Could you comment on the kind of job they are doing. Is any of what they say true or none of it true? Is it all hogwash?

Dr. WILLIAMS. I think it is generally agreed that the D.C. Institute for Mental Health is seeing patients in the District, and has had a long history of doing that. And that the patients that they see have been well served.

EXPANSION OF MENTAL HEALTH SERVICES

The Commission on Mental Health Services has expanded its capability in the last several years, certainly since the transfer to the District of Columbia we have gone from a primarily hospital-based system of care to a community-based system of care. Prior to that, there was much less community-based care available and certainly the D.C. Institute at the time helped to fill the gap.

I think that as we have moved and as we continue to move towards a community-based system of care, we are more and more able to provide those services, but when you have an organization and that organization does have a place in the community, they employ people, the organization does tend to perpetuate itself.

"SAMARITANS" SUICIDE PREVENTION HOT LINE

Mr. DIXON. But see that applies to the District, too. I am not arguing their case, I am just trying to understand what is going on. For example, the suicide prevention hot line issue.

Dr. WILLIAMS. Yes.

Mr. DIXON. Now these people come forth and say "we are volunteers providing a valuable community service, all we need is $38,000. Most of us have been touched by something in our backgrounds that has caused us to be interested in suicide prevention, you know, people who are depressed don't want to call the District because their service isn't adequate." I don't know that to be a fact. But all they say they need is $38,000 to keep them going. There are no salaries involved. So what they are saying is for a relatively small amount of money they can provide the services of many qualified people to fill a gap the District is unable to fill. Am I making myself clear?

So when you say, well, they tend to perpetuate themselves, I need to point out that up until three years ago they never asked for any money. In fact, they were very proud that they didn't have to ask for money. And then all of a sudden they said, "look, we are about to go out of business and there is a need out in the community that we are serving."

Dr. WILLIAMS. I think that because of the difficult economic times the voluntary contributions to organizations that provide community services have not gone down in actual numbers in

terms of balance, but if you look at the dollar figure based on inflation, I think you will find that fewer and fewer dollars are available for those sorts of voluntary things.

SUICIDE PREVENTION PROGRAMS

The Commission on Mental Health Services anticipated that this kind of service was going to be required in greater amounts and in fact put into operation our own suicide hot line with a much greater capability and with a 24-hour kind of service with more sophisticated equipment that would allow us to trace telephone calls and be able to call upon the assistance of the police and fire rescue services to assist us in accessing people who may be at risk for harming themselves.

A private organization such as the Samaritans simply has not been able to keep up with the times. That is not to say that they are not providing a service.

Mr. DIXON. Right.

Dr. WILLIAMS. But I think that there are some real dangers in continuing to provide line items of the budget when dollars across the board are getting to be more and more scarce and there is some duplication of service so at least if we were lacking the capability to respond to those needs, then that would be a different thing.

Mr. DIXON. Okay.

SETTING OF PRIORITIES CAUSED BY BUDGET PRESSURES

Mr. GRAY. I think what we find, Mr. Chairman, and I guess it is fairly obvious, is that even though our budget has increased over the years we still find ourselves with resources well short of what the needs are in the community. Therefore we must set priorities. Some of those priorities are often set by the court mandates we face. In fact, the mental health arena is a good example.

Mr. DIXON. I was going to ask him about that.

RFP'S IN MENTAL HEALTH AREA

Mr. GRAY. It is a good example of how those priorities are set. One mechanism for these organizations to pursue would be requests for proposals which are consistent with the mandates and priorities that we face. We urge all of them to respond to those because it would be an opportunity to access city resources and access them in a way that is congruent with the priorities we are obligated to conform to or for whatever reasons may have set.

Mr. DIXON. But you have never done that in the mental health area.

Mr. GRAY. With RFPs?

Mr. DIXON. Yes.

Mr. GRAY. Oh, yes, constantly, As a matter of fact, as Dr. Williams indicated, we have moved increasingly to a community-based system. That community-based system for the most part is being delivered by private organizations.

Mr. DIXON. There are two commissioners who haven't spoken. Doctor, if you would like to say something, or make any comments. It is not mandatory or necessary, but if you would like to get into this discussion and then I will call on the lady.

RESPONSE TO COMMENTS ABOUT AIDS PROGRAMS

Dr. AKHTER. Thank you, Mr. Chairman. I do like to respond to Mr. Walsh's question about the AIDS activity.

The response is very simple, the program is designed to educate the young people on the dangers of AIDS. Every student in the high school, the junior high school and even in the lower grades is being taught that AIDS is a true danger that faces every child in the city.

It is particularly important when you have one out of 32 young people 19 to 21 years old who are HIV positive and so we designed a program where mandatory education to protect themselves from AIDS was instituted for every student. In every high school, first, the whole school, all the students are exposed to the mandatory education about sexually transmitted diseases and the AIDS and dangers they face, and then on a grade-by-grade level a nurse sits with them and talks to them and answers their questions. There is never a provision that says go get the condom.

After the student who has completed those two sessions then decides that he or she is sexually active and needs to get a condom can go personally, individually, to a nurses' office, sit with the nurse, listen one more time to the dangers of sexual activity, and if then he wants to do get the condom, he could do so. So far in nine months, 7 percent of the students have come to get the condoms in the high schools. There is no condom distribution in the lower grades and so the program basically is of education and it is showing the results.

SUCCESS OF AIDS EDUCATIONAL PROGRAM

I want to hasten to add this. The number of teenage pregnancies is down. The number of sexually transmitted diseases for the first time dropped by 21 percent. It is not by condom availability but because we have provided the education to these students, we have instituted the abstinence program and it will start with the junior grades. And we took the fifth grade class and said that is where we need to start building; those kids when they grow up and come to the high school they become responsible for their own sexual activity.

NEEDLE EXCHANGE PROGRAM

On the needle exchange program, I also would like to clarify it is not distribution of needles. The problem is we are always short of money. There are 16,000 people who are intraveneous drug users in this city. We do not have the capacity at any point in time to get all these people in treatment.

When they are people who come to use and say, I want to get into the treatment program and have registered that they are waiting which could be two weeks to six weeks, we then provide them the option if they want to participate in the clean needle program. Nobody outside is distributing the needles, only those who come to our clinic, go through an examination, go through an assessment and then decide to participate, and it was done on a pilot project for 60 days.

CRITICISM OF SOCIAL PROGRAMS

Mr. WALSH. I appreciate that balanced approach.. I think maybe we may differ on how to deal with the problem.

What we are dealing with here are symptoms of a much greater problem. You know as well as we do how difficult it is to deal with society's problems. We are going broke trying to be everybody's mother and father because they don't have their mother and father around. And we can't afford it and you can't afford it, and I think while we may differ on how to treat the symptoms, we all have to get together and figure out how to get our families back together. And I think this family preservation effort is a wonderful idea.

There is a problem that we have encountered and I am sure you have it here. You may not consider it a problem but the idea that when a girl, and I don't mean a woman, I mean a girl in junior high school or high school gets pregnant she immediately is—for whatever reason—eligible to get medicaid support for the child and she also becomes an AFDC mother, has an apartment, and becomes independent of her former family. And government policies really encourage that splitting up of the family because they can get more financial support outside of the house than they can otherwise. But they don't get the moral support and they don't get the love and nurturing that they would get within the home.

We have to deal with all those problems. You are dealing with the symptoms We have to deal with the fundamentals of those problems. So while we may differ on the philosophy of providing condoms and needles, I believe that we do. I just have a moral dilemma with that.

I applaud what you are trying to do and it is a very difficult job. I have some experience in social work myself and my family has a history of being involved in that from just a little different philosophical approach. But I admire your courage.

DECLINE IN TEENAGE PREGNANCIES

Dr. AKHTER. I would just, with your permission, like to add one sentence, because of our efforts last year, there were 332 fewer births to teenagers in Washington, DC, 332 fewer. In 1991, there were 2,008 teenage births. In 1992, there were 1,674. This is the first time a large decline has taken place, and I think it is our educational effort that has made the difference.

Mr. DIXON. And that brings us to Dr. Walker, who is Commissioner of Social Services.

FAMILY SUPPORT AND PRESERVATION INITIATIVES

Ms. WALKER. Right. I would just say to you, Mr. Walsh, that I think we do agree that we have to deal with the fundamental problems as well. That is why you will see that our budget does reflect early intervention, and other prevention strategies such as family preservation and family support.

Mr. Gray talked about our early childhood initiatives. We think sometimes it is too late when a child is a teenager to begin to talk about teenage pregnancy issues. We are going to try to have prevention very early and continue it. And I think the Commission on Social Services' budget reflects this emphasis.

COSTS OF EMERGENCY ROOM CARE

Mr. DIXON. Now, if you could talk a little about the use of the emergency room and the figures that are bantered around regarding uncompensated care.

Mr. GRAY. The $210 million? I am not sure what the components are of the $210 million but I think it includes bad debt, charity care and a variety of other things.

Mark, you may want to add to that because you probably have followed this more closely than we have.

Mr. DIXON. Well, I purposefully didn't want to get Mark into the conversation.

Mr. CHASTANG. Thank you. I purposely don't want to get involved.

Mr. DIXON. I think he kind of wears two hats here. In some ways he is in bed with the other hospitals who are always crying for more money. In fact, this Committee has been generally supportive in providing additional funds to D.C. General Hospital.

The chart I have shows that the uncompensated care costs for 1990 was close to $228 million. Also, there was an article in the Washington Business Journal on May 6 that had a chart. Your staff may have that chart. I haven't added it up but D.C. General is number one with 85,000 emergency room visits.

George Washington University Hospital has been beating on our doors. They were number two with 50,000 emergency room visits I would say that a large part of the visits to your hospital were uncompensated.

57 PERCENT OF D.C. GENERAL PATIENTS UNINSURED

Mr. CHASTANG. Fifty-seven percent of our patients are uninsured. And that constitutes a major portion of the uncompensated——

EFFORTS TO DEAL WITH UNCOMPENSATED CARE

Mr. DIXON. I guess generally what I am asking is if there is any dialogue with the hospitals and what has happened to the idea of establishing a medical assistance trust fund to try to deal with uncompensated health care costs.

As I recall, the Mayor had a summit meeting on health care in the District and I am wondering what has resulted from that summit and what efforts are being made to try to get a handle on the problem of uncompensated health care?

Mr. GRAY. There is. In fact, as a result of the last summit there were two task forces appointed that are working closely with D.C. General; a short-term task force to look at some of the funding issues that affect D.C. General in particular and a longer term task force to look at the whole health care delivery system. Those two gentlemen are on each one.

Mr. DIXON. Okay. Could you address it. It is a real problem. These people are constantly complaining about this.

INFLUX OF NON-RESIDENT PATIENTS

Dr. CORONADO. Well, indeed it is. There is no question about it. The same problem that is being faced all over the country with the great numbers of people who are uninsured or underinsured. In the

District, it is exacerbated by the fact that we are a regional market and District facilities have a reputation of being very generous so we have not only our own uninsured and underinsured but a very substantial number of people who come from surrounding jurisdictions to seek care here.

Mr. DIXON. Why would they do that?

Dr. CORONADO. Well, because they can get care here. They come here and you know, the——

Mr. DIXON. You mean they come from Maryland or Virginia to get care here in the District?

Dr. CORONADO. Yes. It is general knowledge that if you are seeking care that that care will be provided to you in the ambulatory health clinics or at D.C. General. The other is that it is not unusual necessarily for——

Mr. DIXON. You lost me. They can't get the same kind of care from the general hospital in their own community?

Dr. CORONADO. They may be able to but they may not feel as welcome about getting it, or they may be referred or they may have family who live here in the District and so they come here and while they are here they just happen to drop in. It is not so unusual. Mark.

Mr. CHASTANG. It is a time-held practice for the Greater Metropolitan area because of the close associations of surrounding jurisdictions and the District for individuals to come to D.C. General, to the public clinics, to lie about residency, and by the time you are able to uncover the truth about where they live, they have gotten the service and they have gone and they have no risk in the State.

BUDGET REQUEST OF D.C. GENERAL HOSPITAL

Mr. DIXON. This may be an opportunity to put in the record that we also have with us Mark J. Chastang, Executive Director of D.C. General Hospital. They are requesting $48,035,000 in fiscal year 1994, which is a reduction of $11,475,000 below the FY 1993 appropriation. In addition, you anticipate receiving private funds and other revenues of $91.5 million and Intra-District sales of $5.7 million which will provide total resources of $145,220,000 and 2,562 positions for FY 1994, which is a decrease below last year's funding level of $8.5 million and an increase of 210 positions.

Under capital improvements, you are requesting $3,000,000 for equipment and facility renovations and rescissions of $47,325 from completed projects listed on pages 100 through 107 of the Capital Budget.

FORCES DRIVING PATIENT CASELOAD

Is it because there is less enforcement in the District that makes it easier to get medical treatment here?

Mr. CHASTANG. There are a number of reasons. First of all, tradition. D.C. General has been around 180 years and we have given good care in those years and people have confidence and trust the service. We have the teaching affiliations with Georgetown and Howard Universities. They bring to the patient care experience at D.C. General some of the best medical training that exists. And we have the reputation in a large segment of the community of being

among the best in services and as good as many and not as good as others in certain fields. For example, in trauma we are among the best in the country. And in fact we recently had a trauma survey that indicated we are one of the busiest; the tenth busiest trauma unit in the Nation.

Mr. DIXON. That is a good point to put a period so we can change reporters.

DECEPTION FACTOR USED BY SUBURBAN RESIDENTS

Mr. CHASTANG. But I think in addition to that is just this deception factor, when people are able to come to the hospital because they have associations in the District, they have family members who live here, they use, they misrepresent their residency. In fact, as an outgrowth of the Mayor's short-term task force of which Mr. Coronado and myself are members, one of the representatives of the income maintenance division did an analysis on the individuals who are uninsured and present themselves for service at D.C. General, and upwards of 60 percent were unable to track the information that was given to us. They will give us a home address or telephone number, et cetera.

Mr. DIXON. What percent?

Mr. CHASTANG. Up to 60 percent. What happens is this, if the people behave.

Mr. DIXON. Six out of 10?

Mr. CHASTANG [continued]. People behave based on alternatives that are available to them. If there is a greater degree of difficulty including an ability to find them, to track them—say they live in Maryland or Virginia, and they go to a health clinic there, and they find out they have to do more than just say my name is so and so in order to get care. Those obstructions are much more effective than ours.

MEASURES TO CONTROL UNCOMPENSATED CARE CASELOAD

We are moving to create a number of hurdles that uninsured patients have to get over. One, we are going to request proof of residency by having a photo ID, drivers license or something else——

Mr. DIXON. You don't require any proof of residence?

Mr. CHASTANG. Not in an aggressive way now. Part of the problem is that we have a lot of homeless persons and they generally don't have a lot of identification. But in addition to that, we are going to ask the Council to pass legislation to make it unlawful, with appropriate penalties, to lie to us because there is an administrative cost of finding out whether you lie. We have to verify the information. We are going to be more aggressive in that area. For elective services.

If an individual comes in an ambulance or is shot, we will treat them and deal with questions of residency later. But with the large out patient activity we have, we are going to have thousands of occasions of visits this year. That is all elective occasions of service. We re going to request photo ID, proof of residency. If you are not a resident of the District we will refer you to the jurisdiction where you are a resident to the appropriate clinics and services there. So we have not done that historically. We can't afford to continue to be an open door to the Greater Washington Metropolitan area.

Some people will find a way to get around it, but we are going to sift out a significant number of those individuals.

Mr. DIXON. But I would attribute 80 percent of the—60 percent of the uninsured to that.

Mr. CHASTANG. Sixty percent of those uninsured people who are presenting, we are unable to find proof of residency. Some will be homeless, some have mental problems. Some are unemployed, and whether they live in the District or not, even if they live in the District they can't pay you.

We want to find out how many are eligible for Medicaid and, in addition, when we find someone is a resident, we are going to try to get them on Medicaid.

CONTROLLING HEALTH CARE COSTS

Another major initiative that came out of the task force is we have the Income Maintenance Division is placing three full-time individuals on site at D.C. General to immediately register the individual to get the vital information, fill out the application when they present for service to determine as best we can while they are there whether they are eligible for medicaid. That is an effective strategy for identifying among those 120,000 individuals who are uninsured in the District, whether they are eligible for medicaid, get the information while they are waiting in the out patient clinics or in patients, while they are being served at the hospital. If you don't get it before they leave, you likely to never get it.

They have no investment in our getting paid. They have gotten their services and they are off with the rest of their life. We have to do a better job and have come up with a number of strategies to get that segment of our uninsured patient population registered for medicaid, or if they don't live in the District back to resources in their jurisdictions. So we are working in a way that we haven't in the past.

The Mayor has directed that we get this resolved.

DISTRICT EFFORTS TO CONTROL HEALTH CARE CASELOAD AND COSTS

Dr. CORONADO. The Mayor has done a number of things in recognition of the problem. For example, last year we amended our Medicaid State plan to change the methodology that we use to determine proportionate share payments to hospitals. This is a payment in recognition of the number of low-income patients they have that are going to result in uncompensated care.

We raised the payment from $4 million to $42 million for this fiscal year in recognition of the uncompensated care. You, of course, happened to mention long-term task force. Dr. Akhter is cochair.

Dr. AKHTER. The short-term task force looked at the solutions——

Mr. DIXON. What about the hospitals that are complaining?

76 PERCENT OF UNCOMPENSATED CARE FOR D.C. RESIDENTS

Dr. AKHTER. Their complaints are right, Mr. Chairman. Seventy-six percent of the people who come who get uncompensated care are D.C. residents, the remainder are homeless and from other States.

COORDINATING USE OF CLINICS WITH HOSPITALS

The really big cost item, Mr. Chairman, is the inpatient admission. Eighty-three percent of those folks who came in got admitted on an emergency basis. And when we reviewed those cases, it was found that 24 percent of those admissions could have been avoided if they would have gotten to a primary care physician or into one of our clinics but they didn't do it.

So, the long-term task force position is coordinating these clinics with the hospital services. We can't separate ourselves out there. These folks will be running to the hospital and going back home and coming back to the hospital but they will be in a system coordinated between the clinics that are out there providing services and the hospital so we could at least avoid one quarter of admissions to the hospital.

Mr. DIXON. Who is going to pay for that service? As I understand it—and I am just making this up—any of these people could go down to 4th and M Streets to the private, emergency facility. Since it is a private hospital and you are uninsured, the person would be referred to a clinic down the street. And you are going to set up a series of these clinics; is that right?

Dr. AKHTER. Yes. We have 17 clinics and we are working with the hospitals. Two are now on board working with public health clinics.

Mr. DIXON. Open for emergencies 24 hours a day?

Dr. AKHTER. Not 24 hours but they are open during the day. If these folks would go to the clinics during the day, they won't be in the emergency room at night.

Mr. DIXON. It would be all right then for George Washington University Hospital to say to this person you have a nonemergency and what we are going to do is give you the address of one of the District's clinics. Would the District encourage that?

Dr. AKHTER. Georgetown University, we finished talking with the Walker Jones Clinic, having arrangements where the patient could come back and forth. If they have a patient that patient can be referred to our place, and vice versa. The residents will rotate through the clinics. So it is a coordinated effort. Every hospital needs to take a piece of action to serve our people.

COSTS OF OPERATING CLINICS

Mr. DIXON. Who is going to pay for this additional burden on the clinics?

Dr. AKHTER. We are running the clinics.

Mr. DIXON. So there is not going to be additional costs to run it.

Mr. GRAY. To expand the hours or services, there certainly will be, Mr. Chairman.

Mr. DIXON. Who is going to pay? Where is it going to come from?

Dr. AKHTER. I think it is not that D.C. can solve the problem, it is a national problem and when the national plan comes up, something will happen. But in the meantime, if we can reduce the burden of uncompensated care by a quarter, it will be a big progress. If we can remove these other 14 percent of people coming from other areas and feeding from our resources, it will help and improve the services for the rest of the people.

TRAUMA CARE SYSTEM

Mr. GRAY. An effort that we have not mentioned, that we appreciate this Committee's assistance on is in the area of trauma care. We were able to establish a fund this year to provide for uncompensated trauma care. It is $5.5 million.

POLICE AND FIRE CLINIC

Mr. DIXON. The police and fire unions have lobbied us over a couple of years because in a tight budget one of the services that was offered up was the Police and Fire Clinic. Last year, we said, don't close the clinic until you come back and give us a plan as to what the alternative is going to be. That did not occur. This year the District again deleted the Police and Fire Clinic and we asked is there a plan and the answer was not yet.

My question to either you or Mark is has a plan been discussed with either one of you? Maybe D.C. General would be the logical place that the city would want—the police and fire may not like it. But has there been any discussion about taking over the function of what has traditionally been called the Police and Fire Clinic?

Mr. CHASTANG. No formal discussions, casual mention here and there is all I have heard of.

Mr. GRAY. Yes.

Dr. AKHTER. Same thing.

Mr. DIXON. I was hoping there had been something more.

Mr. CHASTANG. Dr. Johnson, you have not——

Dr. JOHNSON. No.

Mr. DIXON. Have you heard anything about contracting out the police and fire clinic? Someone said that they might try to contract out the service.

Mr. GRAY. I have heard nothing.

Mr. DIXON. Would it be your agency that would do the RFP?

Mr. GRAY. No. We would not.

Mr. CHASTANG. We would be more than willing to sit down and work with them to provide the medical services they need.

Mr. DIXON. I remember you said that last year.

Mr. CHASTANG. I want that to be in the record.

Mr. DIXON. There just seems to be no takers.

Dr. Johnson, you are the medical director at D.C. General Hospital?

Dr. JOHNSON. Yes, sir.

Mr. DIXON. Do you have anything to add or do you want to comment about the functions there?

PRESSURES ON EMERGENCY ROOM CARE

Dr. JOHNSON. No, just a thought about the discussion on the use of the emergency rooms. I am also a part of the long-term task force that has been spoken about. The emergency rooms, not only in D.C. but around the country, have become the primary care substitutes for the uninsured and underinsured. That is one reason why it is very difficult to get a handle on this uncompensated care burden, because as a hospital emergency room we are required to provide services whether or not an individual is a resident or

whether or not an individual has insurance. That is an irreducible number for the hospitals.

Since 75 percent of our admissions to the hospital come through our emergency rooms, that means 60,000 of those 80,0000 emergency room visits end up with a hospitalization. So if somebody comes through without insurance and has to be hospitalized, we end up absorbing this expense. This is a problem that cries out for a larger solution than the District is capable of. That is one of the issues the hospital faces on the issue of emergency room use.

FINANCIAL PRESSURES OF PROVIDING HEALTH CARE

Dr. CORONADO. How to pay for uncompensated care is a problem faced by the entire country. In the District, less than 300,000 people are employed. Not all of those who are employed have health insurance for themselves or their dependents.

Consequently, the kind of solution that the President is looking at now in terms of financing health care reform are not available to us. Our tax base is small and is already under great stress. The kind of taxes that we could impose on things called sin taxes; they are already fairly well taxed.

We are prohibited from levying other kinds of taxes and health care costs money. So, at this point we are trying to find solutions and then we will look at how we are going to get the money.

Mr. Chairman, I take your question and your great concern about how we are going to pay for uncompensated care to be something of an offer, so I am sure we will——

Mr. DIXON. An offer? As a matter of fact, you are more optimistic, Doctor, about this Federal solution than I am at this point.

Dr. CORONADO. I didn't say that I was necessarily optimistic. I just said I know that you are seeking.

Mr. GRAY. And I know we don't have the resources.

Dr. CORONADO. We will try to squeeze whatever we can out of our own system.

Mr. DIXON. Is there anything else you want to add about D.C. General Hospital? I don't have any problem with your budget.

EXPANSION AT D.C. GENERAL HOSPITAL

Mr. CHASTANG. We have opened a new facility which has had a tremendous benefit, including greater capacities. We are very proud of it and as a final comment, just to thank this committee and you specifically, Mr. Chairman, for your support, your confidence——

Mr. DIXON. I just wish we had more money this year to do the same thing that we have done for the last couple of years to help D.C. General Hospital financially. I referred a D.C. resident, a minor, to D.C. General Hospital, and I thank you for your assistance in the case. Now, with that patient you would first try to determine if he was medicaid-eligible?

Mr. CHASTANG. Yes, first if they have insurance of any type, and if they didn't, we would pursue the question of their medicaid eligibility.

Mr. DIXON. Again, I appreciate your assistance in seeing the young fellow.

Unless anyone has anything else to add thank you very much for coming today.

PREPARED STATEMENT OF MARK J. CHASTANG

Before we adjourn, we will place your prepared statement and justification material as well as some questions to be answered in the record at this point.

[The material referred to follows:]

HOUSE HEARINGS ON THE FY 1994 BUDGET AND FY 1993 SUPPLEMENTAL BUDGET

SUBMITTED BY MARK J. CHASTANG
EXECUTIVE DIRECTOR
DISTRICT OF COLUMBIA GENERAL HOSPITAL

MAY 27, 1993

Good afternoon Chairman Dixon and members of the Subcommittee on the District of Columbia Appropriations.

For our brief presentation today, we have developed a series of graphs that get us quickly to the main points we want to make, and know are of interest to you.

First I will provide an overview of patient activity (inpatient and outpatient including emergency room). Secondly, I will comment on our financial status and performance including actions we are taking to improve our performance. Finally, I will comment on a number of achievements that have occurred since last year.

Subcommittee on the District of Columbia Appropriations

I. Background:

- DCGH is the only public acute care (short-stay) hospital in the District
- 410 bed, 72 bassinets
- provides wide range of primary and specialty care services
- major teaching facility for Georgetown and Howard Schools of Medicine
- primary medical resource for Jail, Lorton and Youth Services Administration
- 57% of all patients are uninsured

II. Admissions have remained constant for past five years. (see admissions graph)

III. Emergency Room Visits:

- D.C. General is the busiest ER in the District by far. For FY '92 DCGH ER had 44% more patient activity than the next busiest institution.
- 25% of all ambulance transports come to D.C. General's ER
- Trauma unit is the largest and busiest in the District -- one of the 10 busiest in the Nation

. Capital Hill Hospital closure
(see outpatient services graph)

IV. Outpatient Clinic Visits are up Dramatically

. Outpatient visits up 21% over FY '92

. Many hospital are referring uninsured patients to DCGH (see outpatient services graph)

V. Financial Problem

. We have incurred deficits for past three years

. Why?

- 57% are uninsured

- we've attempted to do too much for too many for too long

- inability to reduce cost because of severe limitations in personnel authorities

. terminate employees for poor performance

. set salaries

. reward for good performance

. What are we doing about it?

Financial Improvements Action Plan

Personnel Expense Reductions:

* Reduce FTE's 5% by end of FY '93

- Reduce overtime

- Hiring freeze (attrition)

- Implement an incentive retirement program

- Eliminate temporary and term positions

* Reduce FTE's to 4.8 FTE's per adjusted occupied bed
- Reduce selected services (if necessary)

- RIF

- Reallocate staff based on a detail staffing study

Service and Revenue Enhancements:

- Establish contracts for special services

  Department of Corrections
  Youth Services Administration
  Homeless Shelters

- Improve the charge capture system

- Improve Utilization Review and "Case Mix Index"

- Require proof of residency for non-emergent care

- Improve Supplement Security income (SSI) program

- Achieve closer working relationship with the Public Health Clinics

- Place Medicaid Case Workers on site at the Hospital

- Obtain greater personnel independence

- Become a Medicaid Manage Care provider

- Increase charges effective 10/1/93

ACHIEVEMENTS:

. Opened new Ambulatory Critical Care Unit

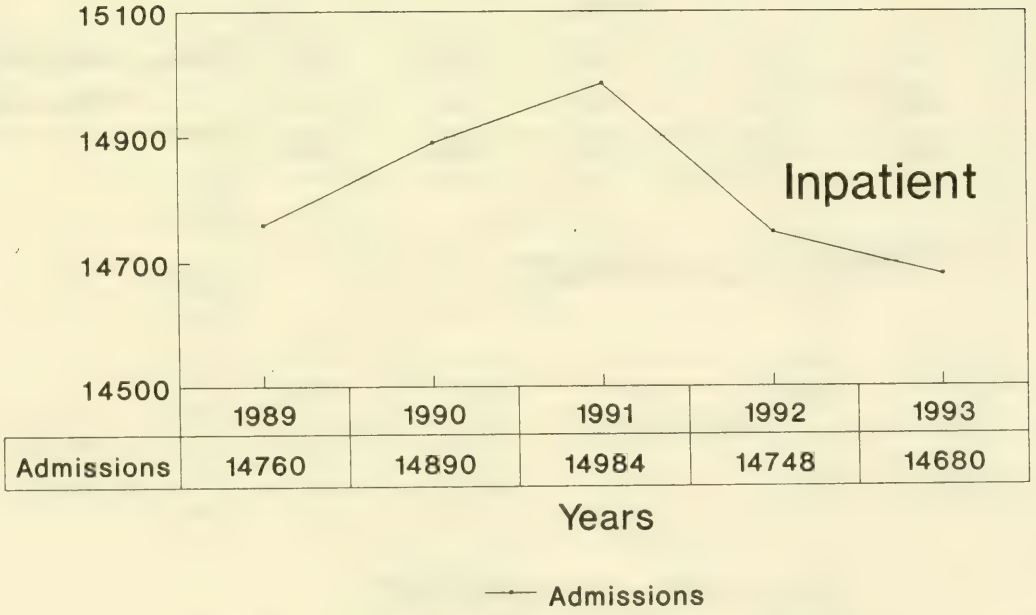
. Installed new Information System

. Implemented Immunization Program

. Established 24-hour OB services coverage

D.C. GENERAL HOSPITAL

Admissions

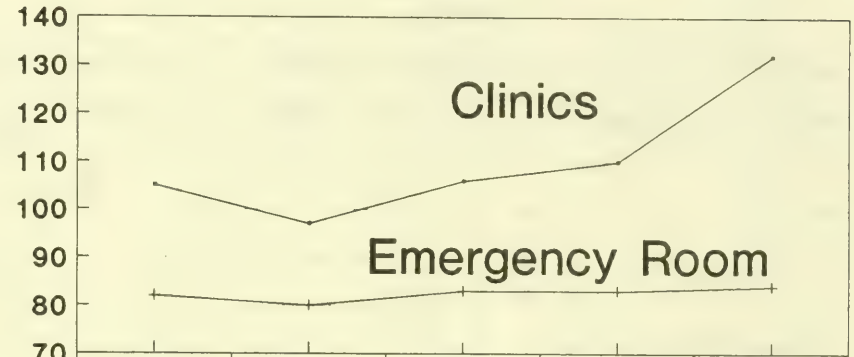


	1989	1990	1991	1992	1993
Admissions	14760	14890	14984	14748	14680

History Series/1993 projected

D.C. GENERAL HOSPITAL

Outpatient Services



	1989	1990	1991	1992	1993
OPC Visits	105	97	106	110	132
Emergency Room	82	80	83	83	84

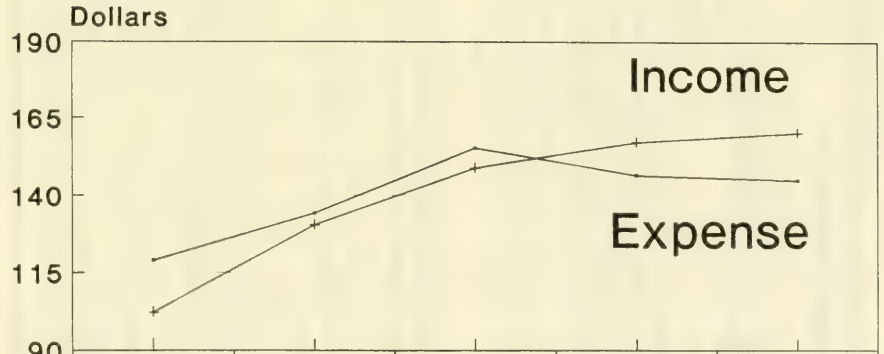
Years

OPC Visits — Emergency Room

Vts = thousand/1993 projected

FINANCIAL PROBLEM

Income vs Expense



	1990	1991	1992	1993	1994
Cash Expense	118.9	134.2	155.1	146.3	144.8
Income	102.1	130.4	148.6	157	160

Year

Cash Expense Income

excl Bad Debt & Deprec/'93 & '94 proj

D.C. General Hospital Payment

Agency Overview

Mission

The District of Columbia General Hospital Payment provides reimbursement to the hospital for the uncompensated care of indigent or uninsured patients.

Agency Description

The District of Columbia General Hospital is the District's only public hospital. The hospital provides inpatient, outpatient, emergency, diagnostic, preventive, and rehabilitative services. In addition, the hospital serves as the comprehensive acute care hospital for Federal and District government-supported long-term care facilities and for individuals incarcerated by the D.C. Department of Corrections. Special outpatient services and inpatient care to patients referred by citywide ambulatory clinics operated by the D.C. Department of Human Services are also provided by the hospital. The hospital is developing other services that meet the special needs of such groups as the elderly, adolescents, crippled and handicapped children, and substance abuse patients.

Agency Budget Summary

FY 1994: The appropriated request for FY 1994 is $48,035,000, a decrease of $10,733,000 from the revised FY 1993 request, and a $11,475,000 reduction from the original FY 1993 budget.

FY 1993 Revised: The revised FY 1993 appropriated request is $58,768,000, a decrease of $742,000 from the original FY 1993 budget.

Budget Strategy & Impacts

Strategy: Recognizing the impact these reductions could have on the delivery of health services to citizens of the District, revenue enhancements have been identified in lieu of increasing the subsidy. These increased revenues should bring in an additional $8,000,000 in FY 1993 and $16,000,000 in FY 1994. The enhancements will involve:

- Changing the method of reimbursement from Medicaid from the discharge rate to per diem.
- Maximizing the hospital's disproportionate share payments, which is Medicaid's reimbursement to hospitals for their disproportionate share of uncompensated care.
- Increasing on-site Medicaid eligibility by having Income Maintenance workers located at the hospital.

In addition, the hospital has pledged to reduce expenditures and to operate at a revised total expense level of $146,000,000 in FY 1993 and $145,500,000 in FY 1994.

D.C. General Hospital Payment

Table I — Agency Staffing and Funding Detail

Programs	Staffing (FTE Positions)				Funding			
	FY92 Actual	FY93 Budget	FY93 Revised	FY94 Proposed	FY92 Actual	FY93 Budget	FY93 Revised	FY94 Proposed
D.C. General Hospital Payment	0.0	0.0	0.0	0.0	69,010,000	59,510,000	58,768,000	48,035,000
Total Agency	0.0	0.0	0.0	0.0	69,010,000	59,510,000	58,768,000	48,035,000
Appropriated Funds	0.0	0.0	0.0	0.0	69,010,000	59,510,000	58,768,000	48,035,000
Federal Funds	0.0	0.0	0.0	0.0	0	0	0	0
Intra-District Funds	0.0	0.0	0.0	0.0	0	0	0	0
Other Funds	0.0	0.0	0.0	0.0	0	0	0	0

Table II — Agency Appropriated Summary by Expenditure Type

Expenditure Type	Staffing (FTE)				Funding			
	FY 92 Actual	FY 93 Budget	FY 93 Revised	FY 94 Proposed	FY 92 Actual	FY 93 Budget	FY 93 Revised	FY 94 Proposed
Personal Services								
Regular Pay	0.0	0.0	0.0	0.0	0	0	0	0
Other Pay	0.0	0.0	0.0	0.0	0	0	0	0
Additional Gross Pay	0.0	0.0	0.0	0.0	0	0	0	0
Fringe Benefits	0.0	0.0	0.0	0.0	0	0	0	0
Total Personal Services	0.0	0.0	0.0	0.0	0	0	0	0
NonPersonal Services								
Supplies					0	0	0	0
Energy					0	0	0	0
Communications					0	0	0	0
Building Rent					0	0	0	0
Other Services & Charges					0	0	0	0
Subsidies & Transfers					69,010,000	59,510,000	58,768,000	48,035,000
Equipment					0	0	0	0
Total NonPersonal Services					69,010,000	59,510,000	58,768,000	48,035,000
TOTAL AGENCY	0.0	0.0	0.0	0.0	69,010,000	59,510,000	58,768,000	48,035,000

D.C. General Hospital Commission

Agency Overview

Mission

The mission of the District of Columbia General Hospital Commission is to assure that quality health care is available for all District residents. The Hospital remains committed to serving all patients regardless of ability to pay.

Agency Description

The Hospital provides inpatient, outpatient, emergency, diagnostic, preventive, and rehabilitative services. In addition, the licensed 410-bed hospital serves as the comprehensive acute care hospital for Federal and District government-supported long-term care facilities and for individuals incarcerated by the D.C. Department of Corrections. The Hospital also provides special outpatient services and inpatient care to patients referred by city-wide ambulatory clinics operated by the D.C. Department of Human Services. D.C. General is developing other services that meet the special needs of such groups as the elderly, adolescents, crippled and handicapped children, and substance abuse patients. To further meet the needs of the citizens of the District, the Hospital provides expert emergency care and treatment for victims of violent crime.

Most of D.C. General's physicians are affiliated with Howard University and Georgetown University Medical Schools. The Hospital is a teaching center for both medical and dental students and post-graduate physicians affiliated with these medical schools. Through its university affiliations, the Hospital conducts and participates in research programs to advance medical science and applications in clinical medicine.

Agency Budget Summary

FY 1994: The total budget from all funding sources in FY 1994 is $145,220,316 and 2,562 FTEs, a reduction of $812,294 and no change in FTEs from the revised FY 1993 budget.
FY 1993 Revised: The total FY 1993 revised budget is $146,031,610 and 2,562 FTEs, a reduction of $7,750,184 and an increase of 210 FTEs from the original FY 1993 budget.

Budget Strategy & Impacts

Strategy: The Hospital will focus on rendering quality patient care services to the constituents of the District of Columbia. At the current funding levels, the Hospital will attempt to retain and recruit qualified staff, as well as maintain adequate equipment and supplies for patient care. To avoid impacting on health care services to citizens, revenue enhancements, primarily in medicaid reimbursements and disproportionate share payments, have been identified in lieu of an increased subsidy. Also, the hospital will reduce expenditures by $8,000,000 in FY 1993 and by an additional $1,000,000 in FY 1994 through management efficiencies and operation streamlining.

It is imperative that the health care delivery system of the District be examined given the numbers of citizens without health insurance (estimated at 100,000) and the numbers of citizens insured by Medicaid (estimated at 112,000). The role of D.C. General, as well as public health clinics and other private hospitals, must be delineated to insure that health care is provided to other citizens most

D.C. General Hospital Commission

in need, yet at the same time operating within the limits of the District's resources.

Impacts: The hospital is challenged with making reductions in different areas of the program, yet maintaining a high level of health care services. The hospital is targeting a five percent (5%) reduction in Hospital expenses in FY 1993 and a ten percent (10%) reduction in FY 1994. However, with the revenue enhancements identified of approximately $8,000,000 in FY 1993 and $16,000,000 in FY 1994, the impact should be minimal.

An Executive Committee will develop a Management Plan which will review the budget reductions, assess available resources, and allocate these resources so that there is little impact on services provided by the hospital.

Table I **Agency Staffing and Funding Detail**

Programs	Staffing (FTE Positions)				Funding			
	FY92 Actual	FY93 Budget	FY93 Revised	FY94 Proposed	FY92 Actual	FY93 Budget	FY93 Revised	FY94 Proposed
Executive Direction	18.5	15.0	17.0	17.0	2,089,819	1,865,266	1,782,191	1,777,448
Clinical Services	899.7	818.0	886.0	886.0	57,157,527	57,522,463	54,440,400	53,935,408
Nursing Services Division	833.0	701.0	827.0	827.0	39,906,566	34,689,326	34,731,192	34,554,923
Planning & Marketing Division	7.3	13.0	10.0	10.0	699,318	809,371	688,083	686,858
Risk and Legal Services	122.7	100.0	120.0	120.0	5,175,427	3,112,443	3,298,828	3,284,934
Finance & Management Information System	204.3	156.0	154.0	154.0	31,655,247	10,776,611	9,729,483	9,699,552
Human Resources Division	23.8	26.0	26.0	26.0	1,380,303	1,230,782	1,157,890	1,153,917
Support Services	239.2	473.0	468.0	468.0	19,295,896	40,403,333	36,876,994	36,812,395
Surgical Suites	29.5	50.0	54.0	54.0	2,443,809	3,372,199	3,326,549	3,314,881
Total Agency	2,378.0	2,352.0	2,562.0	2,562.0	159,803,912	153,781,794	146,031,610	145,220,316
Appropriated Funds	0.0	0.0	0.0	0.0	0	0	0	0
Federal Funds	0.0	0.0	0.0	0.0	0	0	0	0
Intra-District Funds	1,772.3	1,052.0	890.0	890.0	69,942,749	65,029,854	64,432,630	53,700,961
Other Funds	605.7	1,300.0	1,672.0	1,672.0	89,861,163	88,751,940	81,598,980	91,519,355

QUESTIONS FOR THE RECORD

[The Committee's questions and the Hospital's responses follow:]

QUESTIONS FOR THE RECORD
D. C. GENERAL HOSPITAL

QUESTION:
1. Is D.C. General fully accredited -- are you having any problems as far as maintaining full accreditation?

ANSWER:
1. The District of Columbia General Hospital is fully accredited by the Joint Commission on the Accreditation of Healthcare Organizations (a nationwide accrediting agency), the District of Columbia Department of Consumer and Regulatory Affairs, the Office of Licensure and Certification, and the Accreditation Council for Graduate Medical Education. The hospital has not had any problems with maintaining its accreditation status.

QUESTION:
2. The District is proposing in the FY 1994 budget to close the Police and Fire Clinic at the end of FY 1993, which is four months away.

a. Have you been asked to look into whether or not D.C. General might be able to step in and provide similar services?

ANSWER:
2a. Since the proposed closing of the Police and Fire Clinic at the end of FY 1993, we have not been ask to provide any services.

QUESTION:
3. Are you experiencing any shortages in personnel or in certain categories of personnel?

ANSWER:
3. Since March of 1993, the Hospital has had a hiring and promotions freeze on all positions. Although a freeze has been imposed, we continue to experience personnel shortages in the areas of emergency nursing, critical care nursing, physical therapy, occupational therapy and medical officers.

a. What are the vacancy rates?

ANSWER:
3a. The vacancy rates for personnel shortage areas are as follows:

POSITION:	%VACANT:
Emergency Nursing	38%
Critical Care Nursing	9.7%
Physical Therapy	22%
Occupational Therapy	20%
Medical Officers	10%

b. Have these rates remained fairly stable over the past few years?

ANSWER:
3b. No, vacancy rates have not remained stable over the past few years. Rates for the last two years have been as follows:

PERSONNEL CATEGORY	VACANCY RATE 1991	CURRENT RATE
Physical Therapy	100%	22%
Occupational Therapy	40%	20%
Emergency Nursing	60%	38%
Critical Care Nursing	25%	36%

The decline in vacancy rates can be attributed to the following:

- Aggressive recruitment efforts which include: internship programs, clinical career ladder programs, and weekend option programs for nurses.
- Elimination of the District's residency requirement.
- Personnel lay-offs at two major area hospitals.
- Closure of Capitol Hill Hospital (an acute care facility in the District), and Leland Memorial Hospital, located in Prince Georges County, Maryland.

(5) D.C. General's opening of a new Critical Care/Ambulatory Care Center, which improved the work environment in the emergency care area and the clinics.

(6) Offering of hiring bonuses in selected personnel categories.

c. What is your vacancy rate by category of position (for example: nurse, physician, custodian, etc.)?

ANSWER:
3c. Same as response in 3a. We have not had any difficulty in recruiting personnel in other categories.

d. Are all of your "billings" and "collections" current?
-- If not, which ones are not current?

ANSWER:
3d. To the extent that all required documentation is received, billings are current. However, there are several accounts which have been billed for which no payments have been received. These are currently being reviewed and rebilled.

e. What is your bed occupancy rate?

ANSWER:
3e. As of June 30, 1993 the Hospital's occupancy rate was 75.3%.

QUESTION:
4. What percentage of the medical doctors at D. C. General are board certified, and how does that percentage compare with other hospitals in the District?

ANSWER:
4. Sixty eight percent (68%) of the District of Columbia General Hospital's physicians are board certified.

a. What are the areas of specialties where you have the highest percentage of non-board certified personnel?

ANSWER:
4a. The areas of specialties that have the highest percentage of non-board certified personnel are as follows:

SPECIALTIES:	%NON-CERTIFIED:
Anesthesiology	25%
Emergency Medicine	7%
Psychiatry	33%

QUESTION:
5. The budget envisions that D.C. General Hospital will reduce expenditures and increase revenue in FY 1994:

a. Please explain how expenditures will be reduced given the demands for service and the number of non-paying users of D.C. General?

ANSWER:
5. Due to the Hospital's fiscal problems, the following operating areas will be painstakingly evaluated for expenditure reduction opportunities:

- All clinical services will be evaluated in terms of operational self-sufficiency. Moreover, reductions will be targeted among those services with an operating deficit.

- A hiring freeze and reduction in overtime will continue to be enforced.

- Consolidation of similar services will be explored as a cost saving measure.

In short, every effort will be made to continue providing the most utilized services without compromising the quality of care. Conversely, services with less activity will be targeted for elimination.

With respect to revenue, the Hospital and the D.C. Medicaid Office are working together to improve Medicaid eligibility for non-paying users. D.C. General Hospital will continue evaluating all non-paying users to ensure that they are all District residents. Aside from this, revenue collections will be strenuously sought.

These actions will be instrumental in reducing expenditures and increasing revenue for the Hospital in FY 1994 given the demands for service.

QUESTION:
6. On page 41 of the Executive Budget, it states that the budget will help the hospital generate revenue:

a. What actions are planned to increase revenue?

ANSWER:
6a. During FY 1992, the Hospital initiated a detailed review of its itemized charge master. A phased in implementation started in February and is targeted for completion by the end of August 1993. As a result, of this action, gross patient revenue is $29 million ahead of the comparable nine month period last year.

b. Will currently served populations be denied services due to any of the changes?

ANSWER:
6b. Currently served residents of the District of Columbia will not be denied services at the Hospital. However, the Hospital is currently identifying ways the self pay and charity population served are bona fide residents of the District of Columbia. These guidelines are expected to be in place by October 1, 1993.

Department of Recreation and Parks

Agency Overview

Mission

The mission of the Department of Recreation and Parks is to provide to all segments of the population, from 2-year old to senior citizens, and including the mentally and physically challenged, leisure services and recreational programs that contribute to their physical, emotional, social, educational, vocational, and cultural well-being.

Agency Description

The department provides training, youth outreach, community-based programs, and sports programs. It is responsible for the operation and maintenance of facilities - recreation centers, pools, and playgrounds; the management of volunteer and logistical services; providing programs for special populations such as children, the physically and mentally challenged, at-risk youth, and senior citizens; and the issuance of field and facility use permits. In FY 1994 the work of the department is carried out through three major programs:

- Recreation Services Administration offers, within the neighborhood, wholesome recreation, sports and athletics, swimming, gardening, camping and cultural services at recreation centers, pools, schools, and parks. Programs are tailored to diverse populations such as children, adolescents, senior citizens, the physically and mentally challenged, and at-risk youth.

- Community Services Administration includes counseling and referral services, Roving Leaders, community-based programs, adult sports, and volunteers in action.

- Administrative/Support Services Administration provides all departmental management, administration, and support activities such as communications, training, transportation, facility and grounds maintenance, financial management, capital projects administration, and planning.

Agency Budget Summary

FY 1994: The *total* FY 1994 budget request is $30,483,417 and 824.8 FTEs. The *appropriated* budget is $25,581,000 and 670.8 FTEs, a reduction of $4,082,000 and 289.8 FTEs from the Revised FY 1993. The FY 1994 appropriated budget also eliminates an additional 155 FTEs and $3,000,000 as part of the effort to reduce the size of government. The *nonappropriated* request for FY 1994 is $4,902,417 and 154 FTEs, an increase of $72,130 and 10.9 FTEs over the revised FY 1993.

FY 1993 Revised: The revised FY 1993 appropriated budget is $29,663,000 and 960.6 FTEs, a reduction of $352,000 from the approved FY 1993 budget, and an increase of 84 FTEs reflecting the FY 1993 initiative for student staffing in recreation centers.

Major changes to the budget in FY 1994 include the following:

- an increase of $500,000 for recreation centers' "Community Empowerment" program, and $170,000 for health benefits;
- elimination of 19 vacant continuing full-time positions and 90 locker-aide positions yielding a saving of $772,000;

- abolishment of the Facility Development Branch for a saving of $209,000; and
- elimination of appropriated funding for the Neighborhood Planning Councils' community-based programs, resulting in a saving of $721,000;

In addition, the following adjustments are being made in FY 1993:

- within-grade salary increases are cancelled, for a saving of $258,000, and the employee furlough is expected to generate a saving of $664,000;
- $500,000 is added to the budget to fund recreation centers' "Community Empowerment" programs, and $70,000 for health benefits.

Budget Strategy and Impacts

Strategy: The workload and service demands of the programs are likely to continue in FY 1993 and FY 1994 at current levels. Resources available to the programs are constant in FY 1993, but are reduced in FY 1994. To operate within prescribed budget levels while continuing to achieve its basic mission, the department will focus resources on 1) maintaining recreation centers and park facilities, and 2) coordinating and managing recreation programs and services. The department will automate data management capabilities; eliminate, redeploy and stabilize positions; and pursue outside funding to support new initiatives and program enhancements, as well as the Adult Sports and Cycling programs; and will abolish the Facility Development Branch.

The department will also pursue opportunities for having private organizations implement programs and manage some recreation centers; will contract out services such as vehicle maintenance, ball field maintenance, and pool operations and maintenance; and will realign agency services to more appropriately reflect responsibilities for service delivery such as trash collection and roadside grass cutting. The department will also aggressively pursue grants that have been provided to other District agencies for recreational services, but which can be more effectively managed by the Department of Recreation and Parks through better coordination of services.

Impacts: The overall effect of pursuing the current budgetary policy in FY 1994 is fewer programs dependent on appropriated sources for funding. Through consolidation and clustering, most services now offered will still be available. In some instances, however, fees may be required to support continuation of the services.

Department of Recreation and Parks

Table I **Agency Staffing and Funding Detail**

Programs	Staffing (FTE Positions)				Funding			
	FY92 Actual	FY93 Budget	FY93 Revised	FY94 Proposed	FY92 Actual	FY93 Budget	FY93 Revised	FY94 Proposed
Administrative Support Services Administration	235.5	217.1	218.1	129.6	11,896,384	12,277,525	12,055,395	8,910,473
Recreation Services Administration	715.9	802.6	885.6	618.5	21,266,228	22,492,892	22,437,892	18,290,242
Community Services Administration	0.0	0.0	0.0	76.7	0	0	0	3,282,702
Total Agency	951.4	1,019.7	1,103.7	824.8	33,162,612	34,770,417	34,493,287	30,483,417
Appropriated Funds	794.3	876.6	960.6	670.8	27,717,272	30,015,000	29,663,000	25,581,000
Federal Funds	0.0	0.0	0.0	0.0	21,365	0	30,679	0
Intra-District Funds	127.3	114.1	114.1	123.5	4,182,523	3,365,852	3,395,043	3,363,852
Other Funds	29.8	29.0	29.0	30.5	1,241,451	1,389,565	1,404,565	1,538,565

Department of Recreation and Parks

Table II **Agency Outputs**

Measures	FY 1991	FY 1992	FY 1993	FY 1994
Recreation Centers and Playgrounds - No. of recreational and educational field trips	798	849	1,084	1,198
Recreation Centers and Playgrounds - Average daily attendance per center	72	77	97	82
Sports Programs - No. of Soccer Teams and Programs	136	179	254	324
Sports Programs - No. of Little League baseball programs	72	88	102	117
Sports Programs - No. of participants in Nite-Owl basketball	424	332	408	544
Sports Programs - No. of adult sports leagues	31	29	32	32
Sports Programs - No. of adult sports teams	238	293	481	481
Permits - No. of field use permits issued	3,813	7,309	7,500	7,500
Permits - No. of facility use permits issued	991	1,084	1,150	1,200
Maintenance - No. of requests for transportation	11,625	12,943	13,000	13,000
Maintenance - No. of transportation requests satisfied	10,320	11,038	10,000	10,000
Roving Leaders - No. of roving leaders deployed	66	53	53	53
Roving Leaders - No. of youths counseled by roving leaders	4,300	7,342	7,500	8,000
Roving Leaders - No. of referrals to social services agencies	2,476	3,000	4,000	4,000
Special Programs - Average daily attendance at pools	5,319	2,782	2,900	2,900
Special Programs - No. of handicapped individuals served	4,353	5,057	5,200	5,200
Special Programs - No. of child care facilities operated	49	48	49	50
Community-Based Programs - No. of APPR-funded community-based programs	32	32	35	0
Community-Based Programs - No. of participants in programs	3,970	4,454	4,600	0
Volunteer Services - No.of volunteers	228	350	365	450

Department of Recreation and Parks

Table V . Agency Appropriated Summary by Expenditure Type

Expenditure Type	Staffing (FTE)				Funding			
	FY 92 Actual	FY 93 Budget	FY 93 Revised	FY 94 Proposed	FY 92 Actual	FY 93 Budget	FY 93 Revised	FY 94 Proposed
Personal Services								
Regular Pay	375.7	489.0	489.0	409.0	11,600,702	14,730,000	14,108,000	12,635,220
Other Pay	418.6	387.6	471.6	261.8	7,339,438	6,297,000	6,148,000	3,732,993
Additional Gross Pay	0.0	0.0	0.0	0.0	1,274,163	443,000	430,000	443,000
Fringe Benefits	0.0	0.0	0.0	0.0	2,364,588	3,117,000	3,069,000	2,773,787
Total Personal Services	794.3	876.6	960.6	670.8	22,578,891	24,587,000	23,755,000	19,585,000
NonPersonal Services								
Supplies					1,111,010	1,100,000	1,132,000	1,085,000
Energy					1,167,279	1,222,000	1,222,000	1,219,000
Communications					423,710	447,000	447,000	446,000
Building Rent					255,251	280,000	280,000	267,000
Other Services & Charges					1,461,307	1,664,000	2,096,000	2,258,000
Subsidies & Transfers					0	0	0	0
Equipment					743,443	715,000	731,000	721,000
Total NonPersonal Services					5,162,000	5,428,000	5,908,000	5,996,000
TOTAL AGENCY	794.3	876.6	960.6	670.8	27,740,891	30,015,000	29,663,000	25,581,000

HOUSE HEARING OPENING STATEMENT
FOR THE DEPARTMENT OF RECREATION AND PARKS
FISCAL YEAR 1993 SUPPLEMENTAL BUDGET
AND
FISCAL YEAR 1994 BUDGET REQUEST

JUNE, 1993

Good afternoon Chairman Dixon, Committee, ladies and gentlemen, I am Carol Hill Lowe, Director of the Department of Recreation and Parks. I will present the FY 1993 Supplemental Budget and the FY 1994 Budget Request.

The Department of Recreation and Parks was created in 1942 by Public Law 534 of the 77th Congress. The mission of the department is to provide leisure services and recreational programs that contribute to the physical, emotional, social, educational, vocational, and cultural well-being of all segments of the population, from the 2-year olds to the senior citizens, at-risk youth, and the mentally and physically challenged.

In keeping with the priorities of the Mayor, the department offers youth outreach services for at-risk youth, community-based programs, swimming, gardening, camping, cultural services, and sports activities throughout the city.

The FY 1993 Supplemental Appropriated Budget Request is $29,663,000 and 960.6 full-time equivalent (FTE) positions, a reduction of $352,000 from the approved FY 1993 budget, and an increase of 84 FTES reflecting the FY 1993 initiative for student staffing in recreation centers.

The FY 1994 appropriated request is $25,581,,000 and 670.8 FTES, a reduction of $4,082,000 and 289.8 FTES from the Revised FY 1993 Budget. The nonappropriated request for FY 1994 is 4,902,417 and 154 FTES, an increase of $72,130 and 10.9 FTES over the revised FY 1993 request.

To operate within prescribed budget levels while continuing to achieve our basic mission, the department will focus resources on:

1) maintaining recreation centers and park facilities; and
2) coordinating and managing recreation programs and services.

The department will also:
1) automate data management capabilities;
2) eliminate, redeploy and stabilize positions;
3) pursue outside funding to support new initiatives and program enhancements, including adult sports and cycling programs;
4) abolish the Facility Development Branch;
5) pursue opportunities and options for having private, non-profit, and grassroots

organizations implement programs and manage some recreation centers;

6) contract-out the maintenance and operation of vehicles, pools and ball fields;
7) realign agency services to more appropriately reflect responsibilities for service delivery such as trash collection and roadside grass cutting;
8) pursue grants that have been provided to other District agencies for recreational services, and can be more effectively managed by the Department of Recreation and Parks through better coordination and collaboration of services.

The overall effect of pursuing the current budgetary policy in FY 1994 is fewer programs dependent on appropriated sources for funding. Through creative management and outreach, most quality services now offered will still be available. In some instances, however, fees may be required to support continuation of the services. The community hearings established adamantly that District residents need and value recreation centers, parks and programs. We are committed to working with them to enhance the quality of service delivery and infrastructure, to cultivate new community partnerships to serve contemporary urban youth within our fiscal ability, and to garner new resources whenever we can.

QUESTIONS FOR THE RECORD

[The Committee submitted questions in writing to the Department for response for the record. The Committee's questions and the Department's responses follow:]

Department of Recreation and Parks

QUESTION:

1. The budget envisions the clustering of recreational centers and their operation by private, non-profit organizations.

   a. How will clustering of centers be accomplished so as to not reduce the convenience of facilities?

   b. Will citizen input be encouraged in designing clusters?

   c. Will the District design clusters for operation by private contractors or will the private contractors bid based on their design of clusters?

   d. Will the District specify the hours of operation private contractors must maintain?

   e. Will the District specify the types of recreational activities to be offered by the private contractors at each site?

ANSWER:

1. a. Clustering of centers will not reduce the convenience of facilities. All small facilities and field houses will remain open during the day, and staff from several of these centers will go to the larger centers after 6:00 p.m. for night activities. Clustering by creating magnet centers will allow for maximization of available resources within the department. The cluster concept is not dependent on contracting with private contractors. The District will simply be exploring options such as contracting with non-profit organizations to provide services in some centers.

   b. Yes, citizens will be encouraged in developing programs to be offered in clusters.

   c. We have not determined the preferred method for selecting private contractors for any of our centers.

   d. The final relationship between the District and contractors is being explored. Hours of operation will likely be a negotiable factor.

   e. Yes, the terms of the contract with any private provider/contractor will specify the services and activities to be offered.

Office on Aging

Agency Overview

Mission

The mission of the D.C. Office on Aging is to ensure that a full range of health, education, employment, and social services are available for residents sixty years of age and over.

Agency Description

The D.C. Office on Aging advocates and oversees a comprehensive and coordinated network of health and social services on behalf of the District's seniors. Community forums are conducted to solicit input from the elderly about the quality of services and programs offered. To promote healthy, independent lifestyles, and to sensitize the public about the aging process, the office produces special events, conferences, workshops, seminars, the Spotlight on Aging newspaper, brochures, and surveys, and, in accordance with the provisions of the Older Americans Act of 1965, as amended (P.L. 100-175), monitors and assesses programs for seniors on a regular basis to ensure that resources are used effectively.

The D.C. Office on Aging's Senior Service Network includes a center for information and referral, employment, and discount buying; a nursing home; two group homes; a community residential facility; six lead agencies operating 89 nutrition sites and home delivered meals programs; sixteen multi-purpose senior centers; five assessment and case management sites; six day care programs; eight literacy sites; three local ombudsman programs; three programs for the blind and hearing impaired; three city-wide programs for home health care; a shelter for the abused and neglected; a senior center for the homeless; a transportation system; a wellness center; two legal services programs; a home repair program; the Life Safety System program; and a Life-long Learning center. In accomplishing its mission, the Senior Service Network employs over 600 people, including senior citizens, District residents, and others trained to assist the elderly.

Agency Budget Summary

FY 1994: The *total* budget request for FY 1994 is $19,068,000. The *appropriated* request is $14,061,000 and 19.0 FTEs, an increase of $341,000 over the FY 1993 revised budget, and an increase of $310,000 and 1.0 FTE over the approved FY 1993 budget, to fund the full year cost of employees' health benefits, and to expand the weekend in-home meals program. The FY 1994 *nonappropriated* budget request is $5,007,000 and 14.0 FTE positions. The Department of Health and Human Services, Administration on Aging, the U.S. Department of Agriculture, and the D.C. Department of Employment Services will fund various programs and services to be provided to the District's eligible seniors. In addition, various gifts and contributions will be received for the Washington Center for Aging Services' residents. Contributions will be used to purchase clothing, necessary toiletries and other items, and services for the indigent elderly at the Center.

FY 1993 Revised: The FY 1993 revised appropriated budget request is $13,720,000 and 19.0 FTE positions, a $31,000 net reduction from, and an increase of one FTE over the approved FY 1993 budget.

Office on Aging

Major changes are:

- reductions of $27,000 for employees' furloughs, and $8,000 for employees' within-grade salary cancellations in FY 1993; and
- an increase of $4,000 to meet the anticipated increase in the cost of employees' health benefits.

Budget Strategy and Impacts

Strategy: The D.C. Office on Aging's program budget is increased in FY 1994 to provide additional week-end meals for home-bound seniors. Anticipating no increase in federal grant funds, the agency will maintain the current levels of other services and programs delivered to the District's seniors, as originally proposed in the approved FY 1993 budget.

Impact: The level of services provided by the agency and by community-based, non-profit organizations will be kept at the same level for FY 1994 as for FY 1993, except for the home-bound meals program which will be expanded.

Table I **Agency Staffing and Funding Detail**

Programs	Staffing (FTE Positions)				Funding			
	FY92 Actual	FY93 Budget	FY93 Revised	FY94 Proposed	FY92 Actual	FY93 Budget	FY93 Revised	FY94 Proposed
Office on Aging	27.1	21.0	33.0	33.0	17,967,966	18,674,178	18,643,178	19,068,000
Total Agency	27.1	21.0	33.0	33.0	17,967,966	18,674,178	18,643,178	19,068,000
Appropriated Funds	15.6	18.0	19.0	19.0	12,773,971	13,751,000	13,720,000	14,061,000
Federal Funds	8.3	0.0	11.0	11.0	5,037,658	4,794,527	4,794,527	4,873,000
Intra-District Funds	3.1	3.0	3.0	3.0	143,107	122,651	122,651	130,000
Other Funds	0.0	0.0	0.0	0.0	13,230	6,000	6,000	4,000

Office on Aging

Table II **Agency Outputs**

Measures	FY 1991	FY 1992	FY 1993	FY 1994
Number of clients served by the Senior Service Network funded by the D.C. OoA	31,559	32,688	32,688	32,688
Information and referral calls received at the D.C. OoA, and walk-ins	24,113	26,223	26,000	26,000
"Spotlight on Aging" (monthly publication)	280,000	372,000	372,000	372,000
Case management / case assessment hours provided	44,445	59,853	59,853	59,853
Job Training Partnership Act (JTPA) Employment participants	117	105	105	105
Transportation/ escort trips provided	456,393	486,731	486,731	486,731
Home-delivered, and congregate meals served	1,302,092	1,394,465	1,394,465	1,446,458
Homemaker/ home health care hours	755,226	749,648	749,648	749,648
Day care hours	43,059	38,079	38,079	38,079
Home repairs	45	86	86	86
Ombudsman complaints received	1,286	4,914	4,914	4,914
Recreation/socialization hours	1,665,843	1,734,842	1,734,842	1,734,842
Counseling hours	227,970	266,072	266,072	266,072
Washington Center for Aging services: Average number of residents per day	255	223	181	223

Table III **Agency Appropriated Summary by Expenditure Type**

Expenditure Type	Staffing (FTE)				Funding			
	FY 92 Actual	FY 93 Budget	FY 93 Revised	FY 94 Proposed	FY 92 Actual	FY 93 Budget	FY 93 Revised	FY 94 Proposed
Personal Services								
Regular Pay	13.9	18.0	19.0	19.0	610,966	688,000	653,000	717,000
Other Pay	1.7	0.0	0.0	0.0	79,302	76,000	76,000	79,000
Additional Gross Pay	0.0	0.0	0.0	0.0	48,436	0	0	5,000
Fringe Benefits	0.0	0.0	0.0	0.0	91,400	113,000	117,000	127,000
Total Personal Services	15.6	18.0	19.0	19.0	830,104	877,000	846,000	928,000
NonPersonal Services								
Supplies					10,828	14,000	14,000	14,000
Energy					0	0	0	0
Communications					27,165	27,000	27,000	30,000
Building Rent					191,085	195,000	195,000	210,000
Other Services & Charges					11,369,210	12,158,000	12,158,000	12,399,000
Subsidies & Transfers					275,000	375,000	375,000	375,000
Equipment					70,579	105,000	105,000	105,000
Total NonPersonal Services					11,943,867	12,874,000	12,874,000	13,133,000
TOTAL AGENCY	15.6	18.0	19.0	19.0	12,773,971	13,751,000	13,720,000	14,061,000

TESTIMONY
ON THE
DISTRICT OF COLUMBIA OFFICE ON AGING BUDGET
SUBMITTED BY
JEARLINE F. WILLIAMS
EXECUTIVE DIRECTOR
DISTRICT OF COLUMBIA OFFICE ON AGING

MISTER CHAIRMAN, MEMBERS OF THE COMMITTEE OF THE DISTRICT OF COLUMBIA--THE D.C. OFFICE ON AGING WAS ESTABLISHED AS A SEPARATE GOVERNMENT AGENCY IN THE EXECUTIVE OFFICE OF THE MAYOR IN 1975 BY D.C. LAW 1-24. THE MISSION OF THE OFFICE IS TO ASSURE THAT A FULL RANGE OF HEALTH, EDUCATION, EMPLOYMENT, AND SOCIAL SERVICES ARE AVAILABLE TO WASHINGTONIANS AGE 60 YEARS AND OLDER.

THE PROGRAMS AND SERVICES ARE CARRIED OUT IN ACCORDANCE WITH THE MANDATES OF THE OLDER AMERICANS ACT OF 1965, AS AMENDED, AS WELL AS D.C. LAW 1-24. THE OFFICE OFFERS PROGRAMS FOR THE DEPENDENT, SEMI-INDEPENDENT, AND INDEPENDENT ELDERLY WITH A SPECIAL EMPHASIS ON SERVING THE VULNERABLE ELDERLY AND SENIORS WHO ARE SOCIALLY OR ECONOMICALLY IN NEED, PARTICULARLY LOW INCOME, MINORITY ELDERLY.

IN FISCAL YEAR 1992, 32,688 OLDER PEOPLE, OR THIRTY-TWO PERCENT OF THE DISTRICT'S 103,306 SENIORS, RECEIVED ONE OR MORE SERVICES FUNDED BY THE D.C. OFFICE ON AGING. THIS IS A FOUR PERCENT INCREASE OVER THE 31,559 OLDER PERSONS SERVED IN FISCAL YEAR 1991.

UNDER AN ADVOCACY, MANAGEMENT, AND PROGRAMMATIC MANDATE, THE OFFICE OVERSEES A SENIOR SERVICE NETWORK OF THIRTY-FIVE COMMUNITY-BASED ORGANIZATIONS, WHICH PROVIDES SERVICES TO SENIORS IN 97 DIFFERENT LOCATIONS THROUGHOUT THE CITY. NETWORK PROGRAMS INCLUDE THE WASHINGTON CENTER FOR AGING SERVICES, A SKILLED NURSING AND INTERMEDIATE CARE FACILITY; THE WASHINGTON SENIORS WELLNESS CENTER; A SHELTER FOR THE ABUSED AND EXPLOITED ELDERLY; THE LONG-TERM CARE OMBUDSMAN PROGRAM; A CITY-WIDE SENIOR CENTER FOR THE HOMELESS ELDERLY; A SENIOR CENTER FOR THE HISPANIC ELDERLY; A SENIOR CENTER FOR THE HEARING IMPAIRED; THE CALL 'N' RIDE PROGRAM; THE WASHINGTON ELDERLY HANDICAPPED TRANSPORTATION SYSTEM; TWO IN-HOME CARE PROGRAMS; THE WEEKEND ALZHEIMER'S RESPITE CARE PROGRAM; AN IN-HOME CARE PROGRAM FOR SENIORS WITH ALZHEIMER'S AND RELATED DISORDERS; A RESPITE CARE IN-HOME VISITATION PROGRAM AND OTHER PROGRAMS WHICH PROVIDE SUPPORTIVE HOUSING, HOME REPAIR, LEGAL SERVICES, CASE MANAGEMENT, COUNSELING, NUTRITION, OUTREACH, RECREATION, DAY CARE, AND GENERAL TRANSPORTATION FOR OLDER PERSONS. IN ADDITION, THE OFFICE OPERATES AN INFORMATION AND ASSISTANCE SERVICE, WHICH CAN ASSIST HEARING IMPAIRED AND SPANISH-SPEAKING CLIENTS, A LIFE SAFETY SYSTEM PROGRAM, A SENIOR CITIZENS' DISCOUNT PROGRAM AND AN OLDER WORKERS EMPLOYMENT AND TRAINING PROGRAM, WHICH PROVIDES JOB TRAINING AND PLACEMENT FOR DISTRICT RESIDENTS WHO ARE AT LEAST 55 YEARS OF AGE.

ON OCTOBER 1, 1992, THE D.C. OFFICE ON AGING CELEBRATED THE OPENING OF A NEW WEEKEND AND HOLIDAY CONGREGATE MEALS PROGRAM KNOWN AS "THE MAYOR'S GOLDEN MEALS PROGRAM," WHICH IS LOCATED IN THE SHOPS AT NATIONAL PLACE FOOD COURT. THIS WAS THE FIRST INITIATIVE OF ITS KIND IN THE NATION. THIS PARTNERSHIP DISPLAYS MAYOR KELLY'S COMMITMENT TO PUBLIC/PRIVATE PARTNERSHIP. THIS EFFORT ALSO ENCOURAGES, PROMOTES, AND PROVIDES OPPORTUNITIES FOR INTERGENERATIONAL RELATIONSHIPS AND AN OPTIONAL SETTING FOR RECREATIONAL AND SOCIALIZATION ACTIVITIES ON A REGULAR BASIS.

TODAY, WE COME BEFORE YOU TO TESTIFY ON THE D.C. OFFICE ON AGING'S FISCAL YEAR 1994 OPERATING BUDGET REQUEST AND THE REVISED FY 1993 BUDGET. THE FY 1993 REVISED BUDGET REQUEST IS $13,720,000 AND 19 CONTINUING FTE POSITIONS–A $31,000 NET REDUCTION FROM THE APPROVED FY 1993 BUDGET. THE REDUCTION IS ATTRIBUTED TO:

- REDUCTION OF $27,000 FROM EMPLOYEES' FURLOUGHS AND $8,000 FOR EMPLOYEES WITHIN-GRADE CANCELLATIONS; AND

- AN INCREASE OF $4,000 TO MEET THE ANTICIPATED INCREASE IN THE COST OF EMPLOYEES' HEALTH BENEFITS.

I WOULD ALSO LIKE TO BRING YOU UP-TO-DATE ON THE STATUS OF THE PREVIOUSLY APPROVED CAPITAL BUDGET PROJECTS. THE D.C. OFFICE ON AGING HAS

CAPITAL AUTHORITY TO RENOVATE THE WASHINGTON CENTER FOR AGING SERVICES AND THE TWO GROUP HOMES AND COMMUNITY RESIDENCE FACILITY THAT SHARE ITS CAMPUS. THE CENTER IS IN PHASES 6, 7, 8, AND 9 OF A NINE-PHASE CONSTRUCTION PROJECT AND THE DESIGN WORK IS NEAR COMPLETION FOR THE GROUP HOMES.

THE OFFICE HAD CAPITAL AUTHORITY TO CONSTRUCT THE WELLNESS SENIOR CENTER IN WARD 7. THE CONSTRUCTION OF THE CENTER WAS COMPLETED AND THE CENTER OPENED AS SCHEDULED IN MAY 1993.

IN FISCAL YEAR 1994, OUR APPROPRIATED OPERATING BUDGET REQUEST IS $14,061,000 AND NINETEEN CONTINUING FULL-TIME POSITIONS. THIS TOTAL INCLUDES $928,000 IN PERSONAL SERVICES AND $13,133,000 IN NON-PERSONAL SERVICES.

THE FISCAL YEAR 1994 CAPITAL BUDGET AUTHORITY REQUEST IS FOR $2,395,000 TO CONSTRUCT A NEW MULTIPURPOSE SENIOR CENTER IN THE CONGRESS HEIGHTS SECTION OF WARD 8. OUR LEAD AGENCY IN WARD 8, SENIOR CITIZENS COUNSELING AND DELIVERY SERVICES, WILL BE PROVIDING THE DAY-TO-DAY MANAGEMENT OF THE NEW SENIOR CENTER.

THE D.C. OFFICE ON AGING FACES ITS BIGGEST CHALLENGE AS IT PREPARES TO MEET THE NEEDS OF A SENIOR POPULATION THAT IS LIVING LONGER AND GROWING AT A HIGHER RATE THAN THE DISTRICT'S GENERAL POPULATION. BY THE YEAR 2030, ONE OUT OF EVERY FIVE AMERICANS WILL BE 60 YEARS OR OLDER. WE ARE FORTUNATE THAT IN THESE BLEAK ECONOMIC TIMES THE MAYOR CONTINUES TO DEMONSTRATE HER CONCERNS FOR THE MORE VULNERABLE MEMBERS OF OUR COMMUNITY–CHILDREN AND SENIORS. THIS BUDGET REQUEST WILL ALLOW US TO MAINTAIN THE PROGRAMS, EXPAND THE WEEKEND HOME-DELIVERY MEALS, AND SERVICES CURRENTLY PROVIDED FOR THE SENIOR CITIZENS HERE IN THE NATION'S CAPITAL BY THE OFFICE AND ITS SENIOR SERVICE NETWORK. WE WILL MAXIMIZE THESE DOLLARS BY STRENGTHENING THE PUBLIC/PRIVATE PARTNERSHIPS WE HAVE WITH COMMUNITY-BASED NETWORK AGENCIES AND ORGANIZATIONS, OLDER

WASHINGTONIANS AND THEIR FAMILIES AND REACHING BEYOND THE TRADITIONAL AGING NETWORK FOR ADDITIONAL RESOURCES AND SUPPORT.

MISTER CHAIRMAN AND MEMBERS OF THE COMMITTEE, THIS CONCLUDES MY TESTIMONY. BE ASSURED THAT IF ADDITIONAL INFORMATION IS NEEDED, I AM MORE THEN WILLING TO COMPLY WITH YOUR REQUESTS.

Unemployment Compensation Fund

Agency Overview

Mission

The mission of the Unemployment Compensation Fund is to provide unemployment compensation to eligible former District government employees during periods of unemployment, as a result of separation through no fault of their own.

Agency Description

With the District acting as a self-insured employer, this fund provides the District's cost-basis reimbursement to the Unemployment Insurance Trust Fund for payments made by the unemployment program for ex-District government workers. The fund is administered by the Department of Employment Services, with review of claimant costs performed by the D.C. Office of Personnel.

Agency Budget Summary

FY 1994: The FY 1994 budget is $7,944,000, which is an increase of $900,000 over the revised FY 1993 requests.

FY 1993 Revised: The revised FY 1993 budget request is $7,044,000, which is a reduction of $900,000 from the FY 1993 budget.

Table I **Agency Staffing and Funding Detail**

Programs	Staffing (FTE Positions)				Funding			
	FY92 Actual	FY93 Budget	FY93 Revised	FY94 Proposed	FY92 Actual	FY93 Budget	FY93 Revised	FY94 Proposed
Unemployment Compensation	0.0	0.0	0.0	0.0	7,067,574	7,944,000	7,044,000	7,944,000
Total Agency	0.0	0.0	0.0	0.0	7,067,574	7,944,000	7,044,000	7,944,000
Appropriated Funds	0.0	0.0	0.0	0.0	7,067,574	7,944,000	7,044,000	7,944,000
Federal Funds	0.0	0.0	0.0	0.0	0	0	0	0
Intra-District Funds	0.0	0.0	0.0	0.0	0	0	0	0
Other Funds	0.0	0.0	0.0	0.0	0	0	0	0

Table II **Agency Outputs**

Measures	FY 1991	FY 1992	FY 1993	FY 1994
Claimants Compensated	2,205	2,680	2,795	3,150
Maximum Weekly Benefit	293	335	335	335
Average Weekly Claim Amount	133	176	168	168
Average Weeks Compensated Per Claimant	17	15	15	15
Total Weeks of Compensation for all Claimants	36,559	40,231	41,925	47,250

Unemployment Compensation Fund

Table III **Agency Appropriated Summary by Expenditure Type**

Expenditure Type	Staffing (FTE)				Funding			
	FY 92 Actual	FY 93 Budget	FY 93 Revised	FY 94 Proposed	FY 92 Actual	FY 93 Budget	FY 93 Revised	FY 94 Proposed
Personal Services								
Regular Pay	0.0	0.0	0.0	0.0	0	0	0	0
Other Pay	0.0	0.0	0.0	0.0	0	0	0	0
Additional Gross Pay	0.0	0.0	0.0	0.0	0	0	0	0
Fringe Benefits	0.0	0.0	0.0	0.0	0	0	0	0
Total Personal Services	0.0	0.0	0.0	0.0	0	0	0	0
NonPersonal Services								
Supplies					0	0	0	0
Energy					0	0	0	0
Communications					0	0	0	0
Building Rent					0	0	0	0
Other Services & Charges					0	0	0	0
Subsidies & Transfers					7,067,574	7,944,000	7,044,000	7,944,000
Equipment					0	0	0	0
Total NonPersonal Services					7,067,574	7,944,000	7,044,000	7,944,000
TOTAL AGENCY	0.0	0.0	0.0	0.0	7,067,574	7,944,000	7,044,000	7,944,000

Disability Compensation Fund

Agency Overview

Mission

The mission of the Disability Compensation Fund is to provide District government employees injured on the job with workers' compensation, including medical care, vocational rehabilitation, compensation for wage loss, and survivors' compensation.

Agency Description

The Department of Employment Services, through the Labor Standards' Office of Disability and Crime Compensation, and the Employee Compensation Appeals Board, administers this program. With the District acting as a self-insured employer for the purposes of workers' compensation, this program receives, adjudicates, and compensates, as appropriate, approximately 4,500 new claims annually from District government employees who are injured on the job.

Agency Budget Summary

FY 1994: The appropriated request for FY 1994 is $17,904,928, a decrease of $1,110,000 from the FY 1993 original and revised levels.

FY 1993 Revised: There is no change to the FY 1993 original budget of $19,014,928.

Budget Strategy & Impacts

Strategy: To achieve cost savings for the fund, the agency will develop and submit legislative changes, and will continue with administrative improvements. The proposed legislative change options under consideration will be developed in consultation with representatives of the labor community in an effort to achieve consensus on the legislation to be proposed. Several administrative actions are planned and/or are underway to improve operations of the program and assist in controlling costs. The options include full automation, full staffing, medical utilization review, and increased use of return to light duty work assignments. Options such as full automation and full staffing will permit improved case monitoring, while medical utilization review looks at the type of treatment being provided to the employee.

Impacts: The program will provide the authorized levels of compensation and medical services for District workers who are injured on the job.

Disability Compensation Fund

Table I

Agency Staffing and Funding Detail

Programs	Staffing (FTE Positions)				Funding			
	FY92 Actual	FY93 Budget	FY93 Revised	FY94 Proposed	FY92 Actual	FY93 Budget	FY93 Revised	FY94 Proposed
Disability Compensation Fund	0.4	0.0	0.0	0.0	24,500,632	19,014,928	19,014,928	17,904,928
Total Agency	0.4	0.0	0.0	0.0	24,500,632	19,014,928	19,014,928	17,904,928
Appropriated Funds	0.4	0.0	0.0	0.0	24,500,632	19,014,928	19,014,928	17,904,928
Federal Funds	0.0	0.0	0.0	0.0	0	0	0	0
Intra-District Funds	0.0	0.0	0.0	0.0	0	0	0	0
Other Funds	0.0	0.0	0.0	0.0	0	0	0	0

Table II

Agency Outputs

Measures	FY 1991	FY 1992	FY 1993	FY 1994
New Claims	4,554	4,458	4,500	4,500
Average Claimants Compensated Biweekly	790	893	690	650
Average Annual Total Cost per Average Number Compensated	28,686	27,437	27,560	27,560
Average Annual Compensation Cost per Average Number Compensated	19,681	19,830	17,580	16,960

Disability Compensation Fund

Table III **Agency Appropriated Summary by Expenditure Type**

Expenditure Type	Staffing (FTE)				Funding			
	FY 92 Actual	FY 93 Budget	FY 93 Revised	FY 94 Proposed	FY 92 Actual	FY 93 Budget	FY 93 Revised	FY 94 Proposed
Personal Services								
Regular Pay	0.4	0.0	0.0	0.0	0	0	0	0
Other Pay	0.0	0.0	0.0	0.0	0	0	0	0
Additional Gross Pay	0.0	0.0	0.0	0.0	0	0	0	0
Fringe Benefits	0.0	0.0	0.0	0.0	0	0	0	0
Total Personal Services	0.4	0.0	0.0	0.0	0	0	0	0
NonPersonal Services								
Supplies					91,070	152,000	152,000	152,000
Energy					0	0	0	0
Communications					0	0	0	0
Building Rent					0	0	0	0
Other Services & Charges					6,701,979	6,730,928	6,730,928	6,730,928
Subsidies & Transfers					17,707,583	12,132,000	12,132,000	11,022,000
Equipment					0	0	0	0
Total NonPersonal Services					24,500,632	19,014,928	19,014,928	17,904,928
TOTAL AGENCY	0.4	0.0	0.0	0.0	24,500,632	19,014,928	19,014,928	17,904,928

Department of Human Rights and Minority Business Development

Agency Overview

Mission

The Mission of the Department of Human Rights and Minority Business Development is to eliminate discrimination, increase equal opportunity and protect human rights in the District of Columbia.

Agency Description

To accomplish its mission, the department enforces the D.C. Human Rights Acts of 1977 and other laws and policies on nondiscrimination. The department is the advocate for the practice of good human relations and mutual understanding among the various racial, ethnic and religious groups in the District of Columbia. The department seeks to end illegal discriminatory practices in employment, housing, commercial space, public accommodations, educational institutions and District government private sector contracting.

Agency Budget Summary

The total budget from all funding sources in FY 1994 is $2,533,484 and 53 FTEs, a decrease of $47,516 and 2 FTEs from the total revised FY 1993 budget. The appropriated request for FY 1994 is $2,217,834 and 46 FTEs, a decrease of $47,166 and 2 FTEs from the revised FY 1993 request. The appropriated request represents a decrease of $176,166 and 12 FTEs from the FY 1993 approved budget. The major change in the FY 1994 Appropriated request is the reduction of two mid-level administrative positions. The nonappropriated budget for FY 1994 is $315,650 and 7 FTEs.

The total revised FY 1993 request is $2,581,000 and 55 FTE's, a reduction of $129,000 and 10 FTEs from the FY 1993 approved budget. The appropriated FY 1993 revised request is $2,265,000 and 48 FTEs, a reduction of $129,000 and 10 FTEs from the FY 1993 approved budget.

Major changes for the FY 1993 revised request include the following:

- Reductions of $70,000 for employee furloughs and $49,000 from cancelling within-grade salary increases.
- Elimination of 10 FTEs from the Minority Business Development program.

Budget Strategy & Impacts

Strategy: The department will accommodate the workload and service demands anticipated for FY 1993 and FY 1994.

Impacts: It is anticipated that the changes will not significantly impact the Human Rights or Minority Business Development programs of the department.

Department of Human Rights and Minority Business Development

Table I **Agency Staffing and Funding Detail**

Programs	Staffing (FTE Positions)				Funding			
	FY92 Actual	FY93 Budget	FY93 Revised	FY94 Proposed	FY92 Actual	FY93 Budget	FY93 Revised	FY94 Proposed
Executive Direction & Support	4.2	15.0	15.0	9.0	472,222	772,000	734,999	736,168
Minority Business Development Administration	14.8	19.0	9.0	14.0	693,398	855,000	818,000	744,000
Human Rights Administration	12.0	31.0	31.0	30.0	643,984	1,083,000	1,028,001	1,053,316
Office of Administration	6.7	0.0	0.0	0.0	406,759	0	0	0
Office of Information Services	11.6	0.0	0.0	0.0	404,483	0	0	0
Total Agency	49.3	65.0	55.0	53.0	2,620,846	2,710,000	2,581,000	2,533,484
Appropriated Funds	44.3	58.0	48.0	46.0	2,502,925	2,394,000	2,265,000	2,217,834
Federal Funds	0.7	3.0	3.0	3.0	76,047	165,000	165,000	164,650
Intra-District Funds	4.2	4.0	4.0	4.0	40,000	150,000	150,000	150,000
Other Funds	0.0	0.0	0.0	0.0	1,875	1,000	1,000	1,000

Table II **Agency Outputs**

Measures	FY 1991	FY 1992	FY 1993	FY 1994
Complaints closed	507	685	655	700
Responses to AAP deficiencies	300	250	350	400
Minority Businesses certified	574	617	615	615
Applications processed	419	400	350	350
Compliance investigations	83	100	80	80
Affirmative Actions Programs reviewed	1,000	1,040	1,100	1,150

Department of Human Rights and Minority Business Development

Table V Agency Appropriated Summary by Expenditure Type

Expenditure Type	Staffing (FTE)				Funding			
	FY 92 Actual	FY 93 Budget	FY 93 Revised	FY 94 Proposed	FY 92 Actual	FY 93 Budget	FY 93 Revised	FY 94 Proposed
Personal Services								
Regular Pay	40.6	58.0	48.0	46.0	1,548,343	1,589,000	1,452,666	1,231,000
Other Pay	3.7	0.0	0.0	0.0	217,929	56,000	56,000	56,000
Additional Gross Pay	0.0	0.0	0.0	0.0	62,951	6,000	6,000	222,000
Fringe Benefits	0.0	0.0	0.0	0.0	274,077	299,000	306,334	264,834
Total Personal Services	44.3	58.0	48.0	46.0	2,103,300	1,950,000	1,821,000	1,773,834
NonPersonal Services								
Supplies					41,548	25,000	25,000	25,000
Energy					0	0	0	0
Communications					(36)	30,000	30,000	30,000
Building Rent					0	0	0	0
Other Services & Charges					292,708	299,000	299,000	299,000
Subsidies & Transfers					0	0	0	0
Equipment					65,406	90,000	90,000	90,000
Total NonPersonal Services					399,626	444,000	444,000	444,000
TOTAL AGENCY	44.3	58.0	48.0	46.0	2,502,926	2,394,000	2,265,000	2,217,834

PREPARED STATEMENT OF MARGIE A. UTLEY, DIRECTOR

DEPARTMENT OF HUMAN RIGHTS

AND

MINORITY BUSINESS DEVELOPMENT

Good afternoon Chairman and Members of the Committee. I am Margie A. Utley, Director of the Department of Human Rights and Minority Business Development. I greatly appreciate this opportunity to discuss with you the FY 1993 Revised and FY 1994 Proposed Budget requests of the Department of Human Rights and Minority Business Development.

FY 1993 REVISED BUDGET REQUEST

The Revised FY 1993 request is $2,265,000 and 58 FTEs, a reduction of $129,000 from the FY 1993 approved budget. Thses reductions reflect a savings of $70,000 for employee furloughs and $49,000 from cancelling within-grade salary increases and a $10,000 savings for unfilled vacant positions.

FY 1994 PROPOSED BUDGET REQUEST

The total budget proposed for the Department of Human Rights and Minority Business Development from all funding sources in FY 1994 is $2,217,834 and 46 full time positions. This represents a decrease of $47,166 and 12 FTEs from the revised total FY 1993 request.

The Department's estimated non-appropriated budget is $133,000 with 4 NTE positions. This funding includes a $67,000 contract to investigate allegations of employment discrimination with the Washington area Office of the U. S. Equal Employment Opportunity Commission. A $15,000 contract for anti-housing discrimination programs with the U. S. Department of Housing and Urban Development.

Additional funds will come for intra-District agreements with the D.C. Department of Human Services for $50,000 to fund one NTE position investigating aids discrimination cases; and $1,000 from the D.C. Department of Housing and Community Development for translation services and printing.

Human Rights Enforcement

Cash awards to complainants in FY 92 amounted to $313,350. This represents an

increase of 35 percent over fiscal year 1991.

The mediation program was broadened to include District Government complaints as well as private sector complaints that are received in the department from District residents. The process was also revised to cut cost while aiding in the reduction of the current caseload. This is done by recruiting, training and utilizing 34 volunteer mediators in FY 1993.

Reductions in the caseload were also sought in the elimination of mandatory fact finding conferences. This represents a reduction in the amount of time needed to process a complaint.

In an effort to further enhance the service to citizens, reports of investigations were simplified to reduce the unnecessary repetition of information and to make the language understandable to the public.

At the direction of the Mayor to look at how we deliver service, the office is presently working on language to amend the Human Rights Act of 1977. The proposed amendments which will address several areas are being drafted for the Mayor's action. The proposed legislation will address the following:

A. A statute of limitations of 180 days for filing a complaint with the Department.

B. An enlargement of the time allowed by the Human Rights Act for the Department to process a complaint from 120 to 365 days.

C. Provisions in the Act to include mediation as mandatory in the complaint process in an effort to settle some cases before a full course investigation.

D. Provisions in the Act to toll the statue of limitations to protect the complainant's right to seek redress under another law while their complaint is being processed by the department.

Lastly, the Office of Human Rights will continue to work in the development of a sexual harassment training video as well as an EEP training program for all city EEO counselors.

Minority Business Development

Upon the arrival of the Kelly Administration we sought funds for disparity study to

address issues raised by O'Donnel that study is now being conducted to document, if any, historical discrimination in the District. This is in response to attacks to the City's minority set-aside program. A judge ruled in late December that the Minority Contacting Act of 1976 was unconstitutional. As authorized the department has suspended the program until the completion of the study.

When the "Equal Opportunity for Local, Small and Disadvantaged Business Enterprises Emergency Act" of 1992 was approved in June due to the cooperative efforts of Mayor Sharon Pratt Kelly, Councilman Lightfoot and minority business representative, the Department of Human Rights and Minority Business Development moved expeditiously to establish procedures for implementation of the act and the development of comprehensive certification and procurement process.

The department published the rules implementing the Emergency Act of July 24 and received the first application under the Act on July 29. Currently there are over 600 businesses eligible to participate in the program.

This fiscal year, the department along with the Department of Administrative Services and the Office of Corporation Counsel trained agency contract and procurement officials on the local, small and disadvantaged business enterprise program. This team has trained almost 20 agencies. Further, Department of Human Rights and Minority Business has met with almost 20 department heads to thoroughly discuss their projected procurement in the small set-aside market. Department of Human Rights and Minority Business Development will continue with these efforts.

The mentorship program was developed to strengthen certified minority businesses contract capabilities an procurement opportunities through their relationship with the larger mentor company. Presently, there are 24 companies participating this program; 12 mentors and 12 mentes. Among the mentor companies are IBM, Kelly Girls, He's Mechanical and Fort Myer Construction.

Approximately 500 persons participated in the tenth annual D.C. Minority Enterprise Development (MED) Week, December 15, 1992 under the theme "Minority Business: Celebrating Our Past, Shaping Our Future" MED Week consisted of a think tank session, a town meeting hosted by Mayor Kelly and an awards reception. MED week was paid for fully by outside contributions.

In Fiscal Year 1994 we will finalize steps to institute a contractors guarantee bond program for the District of Columbia Government. This program will establish a contractor's guarantee association that would institute a financial assurance pool to serve as limited

collateral for surety bonds on public construction projects awarded by the D.C. Government and establish a technical assistance assurance program to assist contractors in becoming bond ready.

In FY 1994, the department proposes to institute a third phase of the contractors college, which will allow small, disadvantaged firms the opportunity to gain hands on experience in the contracting arena. The first two phases of the D.C. Contractors College were sponsored by the D.C. Department of Human Rights and Minority Business Development, Howard University Small Business Development Center, the Hispanic American Contractors Association and the D. C. Contractor Association. The April 1992 session of the college consised of five weeks of classes taught by Turner Construction and Smoot Corporation, two local construction firms. Approximately 75 were enrolled.

In conclusion, the reductions that have been mandated required that we examine all the programs and services we provide to the citizens of the District of Columbia. Our direction is being guided by the requirements of the law and the priorities of the citizens we serve.

Office on Latino Affairs

Agency Overview

Mission

The mission of the Mayor's Office on Latino Affairs (OLA) is to ensure that a full range of health, education, employment and social services are available to the Latino community in the District of Columbia.

Agency Description

The Office on Latino Affairs advocates for the equitable delivery of quality services to Latino residents by District government agencies and private sector organizations. OLA's priorities include helping District government agencies overcome language and cultural barriers to the delivery of services, providing technical assistance to community-based agencies and Latino businesses, and educating Latino residents regarding their rights and responsibilities as residents of the District of Columbia. The agency also responds to crises affecting the Latino community as they arise, and develops special projects responsive to changes in community needs. Under the Latino Initiative, OLA funds demonstration projects in conjunction with other District government and private sector agencies. These projects support community-based, bilingual services in the areas of maternal and child health, youth services, job training, services to the elderly, and access to income maintenance programs.

Agency Budget Summary

FY 1994: The *total* agency budget from all funding sources in FY 1994 is $1,445,000 and 13 FTEs, an increase of $40,000 from the revised total FY 1993 budget. The *appropriated* request is $1,375,000 and 13 FTEs, an increase of $39,000 from the revised FY 1993 request and an increase of $5,000 from the approved FY 1993 budget. The *nonappropriated* budget is $70,000, the same as in FY 1993.

FY 1993 Revised: The FY 1993 revised appropriated budget requests $1,336,000, a reduction of $34,000 from the approved FY 1993 budget. Major changes were reductions of $17,000 for furloughs and $20,000 for step increases in FY 1993.

Budget Strategy & Impacts

Strategy: The workload and service demands on the Office on Latino Affairs will increase during FY 1993 and FY 1994 with continuation of the citywide response to the Latino Blueprint for Action and implementation of Mayor's Order 92-50, the "Mayor's Multicultural Service Delivery Initiative." At the same time, OLA will undertake leadership of the District's response to the U.S. Civil Rights Commission's report on its review of the delivery of services to Latino residents, to be issued in mid-FY 1993. OLA will absorb these demands by reallocating staff assignments and increasing staff skills in several areas.

Impacts: No area of office or program operations will be severely impacted by the FY 1994 request or the FY 1993 revised budget.

Office on Latino Affairs

Table I — Agency Staffing and Funding Detail

Programs	Staffing (FTE Positions)				Funding			
	FY92 Actual	FY93 Budget	FY93 Revised	FY94 Proposed	FY92 Actual	FY93 Budget	FY93 Revised	FY94 Proposed
Office on Latino Affairs	11.3	13.0	13.0	13.0	986,325	853,000	819,000	858,000
Latino Initiative	0.0	0.0	0.0	0.0	490,695	587,000	587,000	587,000
Total Agency	11.3	13.0	13.0	13.0	1,477,020	1,440,000	1,406,000	1,445,000
Appropriated Funds	11.3	13.0	13.0	13.0	1,269,221	1,370,000	1,336,000	1,375,000
Federal Funds	0.0	0.0	0.0	0.0	(1,000)	0	0	0
Intra-District Funds	0.0	0.0	0.0	0.0	189,571	20,000	20,000	20,000
Other Funds	0.0	0.0	0.0	0.0	19,228	50,000	50,000	50,000

Table II — Agency Outputs

Measures	FY 1991	FY 1992	FY 1993	FY 1994
Pages of translations completed	1,031	1,038	1,500	1,500
Public education activities	39	36	50	50
Business assisted	150	150	150	150
Latino Initiative projects	9	9	9	9
"Linea Directa" TV newsmagazine	9	10	20	20
Maternity clients served	350	450	450	450

Table V — Agency Appropriated Summary by Expenditure Type

Expenditure Type	Staffing (FTE)				Funding			
	FY 92 Actual	FY 93 Budget	FY 93 Revised	FY 94 Proposed	FY 92 Actual	FY 93 Budget	FY 93 Revised	FY 94 Proposed
Personal Services								
Regular Pay	11.3	13.0	13.0	13.0	390,414	448,000	412,000	448,000
Other Pay	0.0	0.0	0.0	0.0	0	0	0	0
Additional Gross Pay	0.0	0.0	0.0	0.0	1,334	0	0	0
Fringe Benefits	0.0	0.0	0.0	0.0	62,001	83,000	86,000	88,000
Total Personal Services	11.3	13.0	13.0	13.0	453,749	531,000	498,000	536,000
NonPersonal Services								
Supplies					11,150	17,000	16,000	17,000
Energy					4,000	4,000	4,000	4,000
Communications					21,000	21,000	21,000	21,000
Building Rent					0	0	0	0
Other Services & Charges					709,583	727,000	727,000	727,000
Subsidies & Transfers					37,772	50,000	50,000	50,000
Equipment					31,967	20,000	20,000	20,000
Total NonPersonal Services					815,472	839,000	838,000	839,000
TOTAL AGENCY	11.3	13.0	13.0	13.0	1,269,221	1,370,000	1,336,000	1,375,000

OPENING STATEMENT
SUBCOMMITTEE ON APPROPRIATIONS FOR THE DISTRICT OF COLUMBIA
U.S. HOUSE OF REPRESENTATIVES

Submitted by Carmen C. Ramírez, Ph.D., R.N.
Executive Director - Mayor's Office on Latino Affairs

DISTINGUISHED MEMBERS OF THE U.S. HOUSE OF REPRESENTATIVES SUBCOMMITEE ON APPROPRIATIONS FOR THE DISTRICT OF COLUMBIA, MY NAME IS CARMEN RAMIREZ AND I AM THE EXECUTIVE DIRECTOR OF THE MAYOR'S OFFICE ON LATINO AFFAIRS (OLA). THE MAYOR'S OFFICE ON LATINO AFFAIRS AND THE DISTRICT OF COLUMBIA COMMISSION ON LATINO COMMUNITY DEVELOPMENT WERE ESTABLISHED BY D.C. LAW 1-86, WHICH WAS PASSED IN 1976, TO HELP ENSURE THE EQUITABLE DELIVERY OF DISTRICT OF COLUMBIA GOVERNMENT SERVICES TO LATINO RESIDENTS OF THE CITY. THE OFFICE ON LATINO AFFAIRS ADVOCATES WITHIN GOVERNMENT TO HELP DISTRICT GOVERNMENT AGENCIES OVERCOME LANGUAGE OR CULTURAL BARRIERS IMPEDING THE DELIVERY OF SERVICES TO LATINO RESIDENTS. AT THE SAME TIME, THE AGENCY PROVIDES TECHNICAL ASSISTANCE TO LATINO COMMUNITY AGENCIES AND BUSINESSES TO HELP STRENGTHEN THE COMMUNITY'S INFRASTRUCTURE. WE ALSO HELP OTHER PRIVATE GROUPS INCORPORATE BILINGUAL SERVICES INTO THEIR DELIVERY SYSTEMS. THE AGENCY RESPONDS TO CRISES AFFECTING THE LATINO COMMUNITY AS THEY ARISE, AND DEVELOPS SPECIAL PROJECTS RESPONSIVE TO CHANGES IN COMMUNITY NEEDS. WE WORK CLOSELY WITH AND PROVIDE STAFF SUPPORT TO THE COMMISSION ON LATINO COMMUNITY DEVELOPMENT, WHICH ADVISES THE MAYOR, DISTRICT COUNCIL AND OUR OFFICE ON THE NEEDS AND CONCERNS OF COMMUNITY RESIDENTS.

DURING THE PAST YEAR, THE OFFICE ON LATINO AFFAIRS HAS ASSISTED THE MAYOR IN COORDINATING DISTRICT GOVERNMENT AGENCIES' RESPONSES TO THE LATINO BLUEPRINT FOR ACTION. THE "BLUEPRINT" IS A SET OF RECOMMENDATIONS TO THE MAYOR REGARDING AREAS OF NEED FOR IMPROVEMENT IN GOVERNMENT SERVICES WHICH WAS DEVELOPED BY THE LATINO CIVIL RIGHTS TASK FORCE, A COALITION OF PRIVATE INDIVIDUALS AND AGENCIES THAT FORMED AFTER THE MAY 1991 DISTURBANCES IN MT. PLEASANT. AS AN EXAMPLE OF THE KELLY ADMINISTRATION'S COMMITMENT TO IMPROVING THE DELIVERY OF SERVICES TO LATINO RESIDENTS, THE RECENT FREEZE ON NEW HIRES BY DISTRICT GOVERNMENT SPECIFICALLY EXEMPTS BILINGUAL POSITIONS, ALLOWING DISTRICT AGENCIES TO CONTINUE THIER EFFORTS TO REDUCE LANGUAGE AND CULTURAL BARRIERS TO SERVICE DELIVERY.

OLA HAS CONTINUED AND EXPANDED OUTREACH AND PUBLIC EDUCATION PROGRAMMING THAT HELPS LATINOS, PARTICULARLY RECENT IMMIGRANTS, UNDERSTAND THEIR RIGHTS, OPPORTUNITIES, AND RESPONSIBILITIES AS RESIDENTS OF THE DISTRICT OF COLUMBIA. OUR AWARD WINNING "LINEA DIRECTA" SPANISH LANGUAGE PUBLIC EDUCATION TELEVISION SERIES HAS DOUBLED PRODUCTION AND NOW AIRS A NEW PROGRAM TWICE EACH MONTH. OLA HAS RECEIVED ADDITIONAL FUNDING FROM THE DISTRICT'S AGENCY FOR HIV/AIDS AND THE D.C. ALCOHOL AND DRUG ABUSE SERVICES ADMINISTRATION TO PRODUCE PUBLIC EDUCATION CAMPAIGNS ON AIDS

EDUCATION AND SUBSTANCE ABUSE PREVENTION, INCLUDING SPECIAL "LINEA DIRECTA" PROGRAMS, WRITTEN MATERIALS AND COMMUNITY ACTIVITIES.

THE FY 1993 SUPPLEMENTAL BUDGET REQUEST FOR THE OFFICE ON LATINO AFFAIRS IS $1,336,000. THE BUDGET REMAINS SUBSTANTIALLY THAT APPROVED BY CONGRESS FOR FY 1993, WITH THE EXCEPTION OF REDUCTIONS FOR FURLOUGHS AND ELIMINATION OF STEP INCREASES, AND A SMALL INCREASE FOR FRINGE BENEFITS. WE HAVE ABSORBED ALL OTHER INCREASED COSTS WITHOUT REQUESTING ADDITIONAL FUNDS. THIS BUDGET PROVIDES ASSISTANCE TO COMMUNITY-BASED PROGRAMS OFFERING YOUTH SERVICES, MATERNAL AND PEDIATRIC CARE, SENIOR SERVICES, AND JOB TRAINING. THE FY 1993 BUDGET PROVIDES FOR 13 FULL-TIME EQUIVALENT POSITIONS. ALL ARE CURRENTLY FILLED.

THE FY 1994 APPROPRIATED BUDGET REQUEST FOR THE OFFICE ON LATINO AFFAIRS IS $1,375,000 AND 13 FULL-TIME EQUIVALENT POSITIONS. OLA'S BUDGET IS DIVIDED INTO TWO CONTROL CENTERS., ONE PROVIDES $858,000 FOR AGENCY ACTIVITIES AND ADMINISTRATION, INCLUDING STAFF SALARIES, AND THE OTHER BUDGETS $587,000 TO FUND COMMUNITY-BASED MATERNAL AND CHILD HEALTH CARE, YOUTH SERVICES, ASSISTANCE TO NON-ENGLISH SPEAKERS APPLYING FOR INCOME MAINTENANCE PROGRAMS, SERVICES TO THE ELDERLY, AND EMPLOYMENT TRAINING, CONTINUING SEVERAL YEARS' OF SUPPORT KNOWN AS THE ADMINISTRATION'S "LATINO INITIATIVE."

THE GOVERNMENT IS MAKING SIGNIFICANT PROGRESS TOWARD IMPROVING THE DELIVERY OF SERVICES AND INCREASING THE NUMBER OF LATINOS EMPLOYED BY THE DISTRICT. THE MAYOR HAS COMMITTED HER ADMINISTRATION TO WORK CLOSELY WITH THE LATINO CIVIL RIGHTS TASK FORCE TO CONTINUE TO DEFINE EMERGING COMMUNITY NEEDS AND EVALUATE THE DELIVERY OF THE DISTRICT'S SERVICES. THE CITY ADMINISTRATOR AND THE OFFICE ON LATINO AFFAIRS ARE TAKING THE LEAD IN THIS EFFORT, ALONG WITH THE HEADS OF DISTRICT AGENCIES.

THE HOUSE OF REPRESENTATIVES HAS LONG BEEN SUPPORTIVE OF OLA'S EFFORTS ON BEHALF OF LATINO RESIDENTS OF THE DISTRICT. I LOOK FORWARD TO YOUR CONTINUED SUPPORT AS YOU REVIEW OUR FY 1994 BUDGET REQUEST.

THANK YOU.

D.C. Commission for Women

Agency Overview

Mission

The mission of the D.C. Commission for Women is to encourage economic and social equity and the enhancement of the quality of life for women and their families through public and private partnerships and personal responsibility.

Agency Description

The D.C. Commission for Women seeks to ensure fairness and equality for women in the work-place and in the District of Columbia community. The primary means used by the Commission to meet these goals are community education and consensus building, advocacy and the provision of information and referrals. The Commission serves the interest of women and their families by organizing and coordinating support on legislative and policy priorities. This support may be in the form of drafting legislation, testifying before government bodies, monitoring administrative actions, or initiating policy development. The Commission also markets the services and programs available to District women and their families. It educates and informs them of available resources to achieve equity and to meet specific needs.

Agency Budget Summary

FY 1994: The *total* budget from all funding sources for FY 1994 is $368,000 and 8 FTEs, an increase of $6,000 from the revised FY 1993 budget. The *appropriated* budget request is $348,000 and 8 FTEs, an increase of $6,000 to the revised FY 1993 budget request and a $7,000 decrease from the approved FY 1993 budget. The *nonappropriated* budget request is $20,000, the same as the FY 1993 revised budget. The major changes were reductions of $2,000 from offices supplies, $3,000 from contracts, and $5,000 from printing.

FY 1993 Revised: The revised FY 1993 *appropriated* budget request is $342,000, a reduction of $13,000 from the FY 1993 approved budget. The major change in the FY 1993 revised budget request is a furlough reduction of $8,000 and a $5,000 reduction for within-grades.

Budget Strategy & Impacts

Strategy: The workload and service demands of the program will continue in FY 1993 and FY 1994 at current levels. To continue achieving its mission with reduced resources, the agency will focus resources on public/private partnerships and personal responsibility through community education, consensus building and advocacy. The proposed resource shift reflects the agency's goal of continuing to ensure fairness and equality for women in the work place and in the District of Columbia community. In FY 1993 and FY 1994, the commission will hold more community workshops than in previous years. As a result, the commission is expecting to process more referrals than in previous years.

Impacts: To accommodate the reductions for both fiscal years 1993 and 1994, the commission will reduce the amount of printed and mailed information materials to agency constituents, community-based entities and District citizens.

D.C. Commission for Women

Table I **Agency Staffing and Funding Detail**

Programs	Staffing (FTE Positions)				Funding			
	FY92 Actual	FY93 Budget	FY93 Revised	FY94 Proposed	FY92 Actual	FY93 Budget	FY93 Revised	FY94 Proposed
Commission for Women	6.7	8.0	8.0	8.0	367,998	375,000	362,000	368,000
Total Agency	6.7	8.0	8.0	8.0	367,998	375,000	362,000	368,000
Appropriated Funds	6.7	8.0	8.0	8.0	297,073	355,000	342,000	348,000
Federal Funds	0.0	0.0	0.0	0.0	0	0	0	0
Intra-District Funds	0.0	0.0	0.0	0.0	58,391	0	0	0
Other Funds	0.0	0.0	0.0	0.0	12,533	20,000	20,000	20,000

Table II **Agency Outputs**

Measures	FY 1991	FY 1992	FY 1993	FY 1994
Events Sponsored by Commission for Women	52	28	35	35
Number in attendance	2,438	2,000	3,000	3,000
Public Service Announcements	15	15	25	25
Media Contacts	100	100	150	150
Referrals	250	250	700	700

Table III **Agency Appropriated Summary by Expenditure Type**

Expenditure Type	Staffing (FTE)				Funding			
	FY 92 Actual	FY 93 Budget	FY 93 Revised	FY 94 Proposed	FY 92 Actual	FY 93 Budget	FY 93 Revised	FY 94 Proposed
Personal Services								
Regular Pay	6.7	8.0	8.0	8.0	208,182	264,000	251,000	264,000
Other Pay	0.0	0.0	0.0	0.0	0	0	0	0
Additional Gross Pay	0.0	0.0	0.0	0.0	878	0	0	0
Fringe Benefits	0.0	0.0	0.0	0.0	35,207	52,000	53,000	55,000
Total Personal Services	6.7	8.0	8.0	8.0	244,267	316,000	304,000	319,000
NonPersonal Services								
Supplies					4,839	8,000	7,000	6,000
Energy					0	0	0	0
Communications					3,135	2,000	2,000	2,000
Building Rent					0	0	0	0
Other Services & Charges					44,831	29,000	29,000	21,000
Subsidies & Transfers					0	0	0	0
Equipment					0	0	0	0
Total NonPersonal Services					52,805	39,000	38,000	29,000
TOTAL AGENCY	6.7	8.0	8.0	8.0	297,072	355,000	342,000	348,000

GOVERNMENT OF THE DISTRICT OF COLUMBIA
D C COMMISSION FOR WOMEN
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OPENING STATEMENT

My name is Annette Samuels and I am the Executive Director of the D.C. Commission for Women. In that capacity, I am responsible for developing policies, administering programs and supervising the day-to-day activities of the office developed on the basis of the agenda established by the members of the Commission. I am also responsible for formulating the Commission's budget. I am pleased to provide you with an opening statement concerning our 1994 budget request.

The D.C. Commission for Women is an advocacy agency within the Executive Office of the Mayor. There are 21 non-paid Commissioners who are appointed by the Mayor and confirmed by the Council of the District of Columbia and who represent each ward in the District.

The 1994 budget is $348,000 with no decrease of continuing full-time positions. This represents an increase of $6,000 to the revised 1993 budget request and a $7,000 decrease from the approved 1993 budget. Although we remain committed to maximizing our human resources to serve women and families across the city as effectively as possible, the continuing decrease in funding has severely impacted upon the Commission's efforts to carry out its agenda.

In order to continue to carry out its mission with reduced resources, the Commission will focus its resources on building public/private partnerships and personal responsibility through community education, consensus building and advocacy. We will continue to explore current issues such as increased violence against women and girls, child abuse, increased incarceration of women, and issues of health, prevention and wellness affecting women and their families. The Commission will also continue to work with kincare givers and providers in an effort to assist grandparents and other older relatives and friends who are providing primary care for young children.

We have played a key role in the development of emergency legislation to assist kinship caregivers obtain medical treatment for the children they are caring for. We have developed and presented testimony in support of legislation that would protect woman and their children from violence occurring in family situations. We provided support for the passage of The District's anti-stalking legislation and encouraged the passage of the "Abortion Statute Repealer Act of 1993," as well as the "Interference with Medical facilities Act of 1993."

Finally, the Commission will continue to build short-term coalitions and task forces on legislation that affects women and their families. We will increase our efforts to build long-term coalitions to influence policy making and standard operating procedures relating to programs affecting family, youth and economic development. We will also seek co-sponsorships with other agencies and groups for future projects.

D.C. Commission for Men

Agency Overview

Mission

The mission of the D.C. Commission for Men is to stimulate and encourage the study and review of the status of men in the District of Columbia.

Agency Description

The Commission for Men seeks to evaluate and address the immediate needs and concerns of the men of the District of Columbia. The commission shall consist of 15 uncompensated members appointed by the Mayor and the Council of the District of Columbia . This commission will conduct and review the progress of pertinent studies and initiate and administer programs in areas effecting males including, public and private employment practices, educational matriculation, criminal rehabilitation, and strengthening the family unit. The Commission is presently in the early planning stages and will officially begin operations in FY 1994.

Agency Budget Summary

The FY 1994 budget request is $50,000 and 0 FTEs.

Table I **Agency Staffing and Funding Detail**

Programs	Staffing (FTE Positions)				Funding			
	FY92 Actual	FY93 Budget	FY93 Revised	FY94 Proposed	FY92 Actual	FY93 Budget	FY93 Revised	FY94 Proposed
The Commission for Men	0.0	0.0	0.0	0.0	0	0	0	50,000
Total Agency	0.0	0.0	0.0	0.0	0	0	0	50,000
Appropriated Funds	0.0	0.0	0.0	0.0	0	0	0	50,000
Federal Funds	0.0	0.0	0.0	0.0	0	0	0	0
Intra-District Funds	0.0	0.0	0.0	0.0	0	0	0	0
Other Funds	0.0	0.0	0.0	0.0	0	0	0	0

D.C. Commission for Men

Table II **Agency Appropriated Summary by Expenditure Type**

Expenditure Type	Staffing (FTE)				Funding			
	FY 92 Actual	FY 93 Budget	FY 93 Revised	FY 94 Proposed	FY 92 Actual	FY 93 Budget	FY 93 Revised	FY 94 Proposed
Personal Services								
Regular Pay	0.0	0.0	0.0	0.0	0	0	0	0
Other Pay	0.0	0.0	0.0	0.0	0	0	0	0
Additional Gross Pay	0.0	0.0	0.0	0.0	0	0	0	0
Fringe Benefits	0.0	0.0	0.0	0.0	0	0	0	0
Total Personal Services	0.0	0.0	0.0	0.0	0	0	0	0
NonPersonal Services								
Supplies					0	0	0	0
Energy					0	0	0	0
Communications					0	0	0	0
Building Rent					0	0	0	0
Other Services & Charges					0	0	0	50,000
Subsidies & Transfers					0	0	0	0
Equipment					0	0	0	0
Total NonPersonal Services					0	0	0	50,000
TOTAL AGENCY	0.0	0.0	0.0	0.0	0	0	0	50,000

D.C. Office of Energy

Agency Overview

Mission

The mission of the D.C. Energy Office is to contribute to improving the District's quality of life and economic competitiveness by making it energy efficient through education, regulation, conservation and assistance services.

Agency Description

D. C. Energy provides energy payment assistance to low income residents and energy efficiency education and promotional activities for residential, commercial, governmental, and institutional entities in the District. D.C. Energy also provides intervention for energy efficiency in utility regulatory proceedings and legislative matters.

The total budget of the D.C. Energy Office is funded through approximately 80% non-appropriated funds and 20% District funds. The Complementary Energy Assistance Program, the only appropriated program of the D.C. Energy Office, provides energy assistance in the form of monthly payments for household energy costs to eligible employed, low income District residents.The *non-appropriated* programs of the D.C. Energy Office provide financial energy assistance, weatherization, education, energy conservation measures and innovative ways to reduce energy consumption to the District residents, as well as, commercial and government agencies.

Agency Budget Summary

The *total FY 1994* budget from all funding sources is $8,624,240 and 39 FTEs. The *appropriated* budget for the D.C. Energy Office is $1,993,000 and 2 FTE positions, a $13,000 increase from the revised FY 1993 budget of $1,980,000, and a decrease of $7,000 from the approved FY 1993 budget. The FY 1994 total *nonappropriated* budget is $6,631,240 and 37 FTE positions, a $491,446 reduction from the FY 1993 revised budget. The major change in FY 1994 appropriated budget was a decrease of $11,000 in the CEAP program funding.

The FY 1993 revised appropriated budget is $1,980,000 and 2 FTE positions, a $20,000 reduction from the original FY 1993 appropriated budget of $2,000,000. Major change highlights include:

- CEAP program funding was decreased by $11,000, based on average monthly expenditures.
- Reduction of $3,000 for employee furloughs and $8,000 from cancelling within-grade increases.

Budget Strategy and Impacts

Strategy: The workload demands of the program will continue in FY 1993 and FY 1994 at the current levels. Accommodating these changes will not necessitate any changes in service delivery in any of the major agency program areas.

D.C. Office of Energy

Impacts: The revised *appropriated* FY 1993 budget decrease of $20,000 and the increase in FY 1994 of $13,000 will not affect the capability of the agency to operate effectively, because of the minimal impacts of the FY 1993 decrease and FY 1994 increase.

Table I **Agency Staffing and Funding Detail**

Programs	Staffing (FTE Positions)				Funding			
	FY92 Actual	FY93 Budget	FY93 Revised	FY94 Proposed	FY92 Actual	FY93 Budget	FY93 Revised	FY94 Proposed
D.C. Energy Office	37.8	38.0	37.0	37.0	7,014,483	5,189,928	7,122,686	6,631,240
Compl. Energy Assistance Program	2.1	2.0	2.0	2.0	1,806,738	2,000,000	1,980,000	1,993,000
Total Agency	39.9	40.0	39.0	39.0	8,821,221	7,189,928	9,102,686	8,624,240
Appropriated Funds	11.1	2.0	2.0	2.0	2,507,465	2,000,000	1,980,000	1,993,000
Federal Funds	18.7	22.0	22.0	22.0	5,367,851	4,062,593	5,920,351	5,449,905
Intra-District Funds	0.0	0.0	0.0	0.0	0	0	0	0
Other Funds	10.1	16.0	15.0	15.0	945,905	1,127,335	1,202,335	1,181,335

Table II **Agency Outputs**

Measures	FY 1991	FY 1992	FY 1993	FY 1994
CEAP Avg. Monthly Payment	62	60	62	62
CEAP Avg. Monthly Caseload	2,538	2,487	2,200	2,300
CEAP Avg. Monthly Payroll	156,112	148,880	136,400	142,600
CEAP Participants	30,451	29,846	26,400	27,600
RCAP Participants	411	346	300	300
LIHEAP Clients	15,252	13,674	13,000	12,000
SECP Participants	12,560	12,100	14,000	13,000

D.C. Office of Energy

Table V **Agency Appropriated Summary by Expenditure Type**

Expenditure Type	Staffing (FTE)				Funding			
	FY 92 Actual	FY 93 Budget	FY 93 Revised	FY 94 Proposed	FY 92 Actual	FY 93 Budget	FY 93 Revised	FY 94 Proposed
Personal Services								
Regular Pay	11.1	2.0	2.0	2.0	336,426	75,000	64,000	75,000
Other Pay	0.0	0.0	0.0	0.0	0	0	0	0
Additional Gross Pay	0.0	0.0	0.0	0.0	26,879	0	0	0
Fringe Benefits	0.0	0.0	0.0	0.0	45,045	12,000	14,000	16,000
Total Personal Services	11.1	2.0	2.0	2.0	408,350	87,000	78,000	91,000
NonPersonal Services								
Supplies					8,011	0	0	0
Energy					0	0	0	0
Communications					72,469	0	0	0
Building Rent					0	0	0	0
Other Services & Charges					55,504	0	0	0
Subsidies & Transfers					1,963,131	1,913,000	1,902,000	1,902,000
Equipment					0	0	0	0
Total NonPersonal Services					2,099,115	1,913,000	1,902,000	1,902,000
TOTAL AGENCY	11.1	2.0	2.0	2.0	2,507,465	2,000,000	1,980,000	1,993,000

OPENING STATEMENT
OF
CHUCK CLINTON
DIRECTOR, D.C. ENERGY OFFICE

MAY 27, 1993

MEMBERS OF THE APPROPRIATIONS COMMITTEE, AS DIRECTOR OF THE DISTRICT OF COLUMBIA ENERGY OFFICE, IT IS A PLEASURE TO PRESENT TO YOU THIS AFTERNOON OUR BUDGET REQUEST FOR FISCAL YEAR 1994. IT IS A BUDGET WHICH ALLOWS THE D.C. ENERGY OFFICE TO CONTINUE WORKING TOWARDS ITS OVERALL OBJECTIVE OF PERMANENT ENERGY EFFICIENCY FOR THE DISTRICT, WHILE IN THE SHORT-TERM, PROVIDING MAXIMUM APPROPRIATE ASSISTANCE TO THOSE RESIDENTS MOST VULNERABLE TO ENERGY PROBLEMS.

BEFORE I BEGIN MY PRESENTATION, I WOULD LIKE TO ACKNOWLEDGE THE PRESENCE OF THE ENERGY OFFICE STAFF PERSON WHO IS WITH ME HERE TODAY, LAVONE REID GRANT, D.C. ENERGY OFFICE FINANCIAL CHIEF.

IN ORDER TO SET THE FRAMEWORK FOR MY REMARKS ON THE PROPOSED FY1994 D.C. ENERGY BUDGET, I WOULD FIRST OF ALL LIKE TO STATE THAT, AS MANDATED BY D.C. LAW 3-132, IT IS THE MISSION OF THE D.C. ENERGY OFFICE TO PROVIDE CENTRALIZED PLANNING, COORDINATION, AND ADMINISTRATION OF ALL PROGRAMS AND ACTIVITIES OF THE DISTRICT GOVERNMENT, WHICH AFFECT ENERGY UTILIZATION, ENERGY CONSERVATION, ENERGY ASSISTANCE AND THE USE OF ALTERNATIVE ENERGY RESOURCES.

IT IS ALSO THE PHILOSOPHY OF THE D.C. ENERGY OFFICE: 1) THAT ENERGY CONSIDERATIONS HAVE SIGNIFICANT SOCIAL, ECONOMIC AND GOVERNMENTAL IMPLICATIONS FOR THE DISTRICT OF COLUMBIA; 2) THAT ENERGY CONSERVATION AND RENEWABLE ENERGY RESOURCES ARE MEANS, NOT ENDS, TO PROVIDE MORE EFFICIENT USES OF SCARCE FINANCIAL RESOURCES, TO EXPAND EMPLOYMENT OPPORTUNITIES, AND TO FOSTER ECONOMIC DEVELOPMENT; 3) THAT THE DISTRICT MUST SOLVE ITS ENERGY PROBLEMS IN A WAY THAT IS EQUITABLE TO ALL QUADRANTS, END-USE SECTORS AND INCOME GROUPS OF THE CITY; 4) THAT, IN PARTICULAR, THE DISTRICT'S ELDERLY, WORKING POOR, AND THOSE WITH LOW OR FIXED INCOMES MUST BE PROTECTED FROM THE DISPROPORTIONATELY HEAVY BURDEN ON THEIR INCOME DUE TO ENERGY PRICES; 5) THAT THE LOGIC OF COMBINING ENERGY CONSERVATION AND RENEWABLE ENERGY RESOURCE ACTIVITIES WITH ENERGY ASSISTANCE PROGRAMS IS COMPELLING - THE SOCIO-ECONOMIC BENEFITS THAT THIS APPROACH CREATES FOR THE LOW-INCOME POPULATION, IN TERMS OF ADDED BENEFITS AND INCREASED DISPOSABLE INCOME, OR FOR THE GOVERNMENT TREASURY, IN TERMS OF REDUCED EXPENDITURES, ARE SIGNIFICANT.

THE ENERGY OFFICE PROVIDES A VARIETY OF SERVICES TO DISTRICT RESIDENTS, INCLUDING THE LOW INCOME HOME ENERGY ASSISTANCE PROGRAM (LIHEAP) WHICH PROVIDES HEATING AND COOLING FINANCIAL AND EMERGENCY ASSISTANCE TO ELIGIBLE DISTRICT RESIDENTS; THE ENERGY EXTENSION SERVICE (EES) WHICH PROVIDES ENERGY CONSERVATION INFORMATION AND TECHNICAL ASSISTANCE; THE INSTITUTIONAL CONSERVATION PROGRAM (ICP), WHICH MAKES FUNDS AVAILABLE FOR THE INSTALLATION OF ENERGY CONSERVATION MEASURES IN DISTRICT SCHOOLS AND HOSPITALS; THE STATE ENERGY CONSERVATION PROGRAM (SECP) WHICH PROMOTES ENERGY CONSERVATION IN THE GOVERNMENTAL, TRANSPORTATION, COMMERCIAL AND EDUCATION SECTORS OF THE DISTRICT, AND THE RESIDENTIAL CONSERVATION ASSISTANCE PROGRAM (RCAP) WHICH USES DISTRICT NON-PROFIT COMMUNITY BASED ORGANIZATIONS TO PROVIDE FOR THE INSTALLATION OF RESIDENTIAL ENERGY CONSERVATION MEASURES. THE OFFICE ALSO PREPARES ENERGY

PLANS AND IDENTIFIES ENERGY ISSUES AND ANALYZES THEIR IMPACTS ON THE PUBLIC HEALTH, WELFARE AND ECONOMY OF THE DISTRICT. THE OFFICE REVIEWS THE LOCAL POLICY IMPLICATIONS OF FEDERAL ENERGY PROGRAMS, PREPARES SUPPLY AND DEMAND FORECASTS, AND DEVELOPS AND OPERATES ENERGY CONSERVATION PROGRAMS AND PARTICIPATES IN VARIOUS PUBLIC SERVICE COMMISSION PROCEEDINGS.

THE D.C. ENERGY OFFICE ALSO PROVIDES STAFF SUPPORT FOR THE CITIZEN'S ENERGY ADVISORY COMMITTEE, THE GAS STATION ADVISORY BOARD, THE ENERGY SUBCOMMITTEE OF THE BUILDING CODE ADVISORY COMMITTEE, THE MAYOR'S SCHOOLS AND HOSPITALS FACILITIES ADVISORY COMMITTEE, AND OPERATES THE D.C. ENERGY HOTLINE, WHICH HANDLES MORE THAN 85,000 ENERGY-RELATED CALLS EACH YEAR.

IN ADDITION, THE D.C. ENERGY OFFICE ADMINISTERS THE COMPLEMENTARY ENERGY ASSISTANCE PROGRAM (CEAP), WHICH PROVIDES MONTHLY ENERGY ASSISTANCE BENEFIT CHECKS TO ELIGIBLE RECIPIENTS REFERRED FROM THE AID TO FAMILIES WITH DEPENDENT CHILDREN PROGRAM (AFDC) AND THE VOCATIONAL REHABILITATION PROGRAM AFTER EMPLOYMENT.

OF THE PROGRAMS THAT I HAVE MENTIONED, THE COMPLEMENTARY ENERGY ASSISTANCE PROGRAM IS THE ONLY PROGRAM BUDGETED THROUGH APPROPRIATED FUNDS IN FISCAL YEAR 1994.

THE FY1994 APPROPRIATED BUDGET REQUEST OF THE D.C. ENERGY OFFICE IS $1,993,000, WHICH PROVIDES FUNDING TO THE COMPLEMENTARY ENERGY ASSISTANCE PROGRAM WHICH WILL ALLOW THE D.C. ENERGY OFFICE TO SERVICE APPROXIMATELY 2,300 WORKING LOW INCOME HOUSEHOLDS EACH MONTH WITH AN AVERAGE PAYMENT OF $62.

THE REVISED FISCAL YEAR 1993 APPROPRIATED BUDGET OF THE D.C. ENERGY OFFICE IS $1,980,000 A DECREASE OF $20,000 FROM THE ORIGINAL APPROVED FY1993 BUDGET OF $2,000,000.

THIS REDUCTION OCCURRED IN THE COMPLEMENTARY ENERGY ASSISTANCE PROGRAM, BUT IT WILL NOT IMPACT PAYMENTS TO CLIENTS BECAUSE OF THE ECONOMY AND JOB MARKET.

THIS CONCLUDES MY REMARKS. I AM NOW PREPARED TO ANSWER ANY QUESTIONS YOU MAY HAVE CONCERNING OUR BUDGET SUBMISSION.

ADJOURNMENT

Mr. DIXON. The Committee stands adjourned until 10:00 a.m., Wednesday, June 9, when we will take up the budget for the District's judiciary.

WEDNESDAY, JUNE 9, 1993.

PUBLIC SAFETY AND JUSTICE

DISTRICT OF COLUMBIA COURTS

WITNESSES

JUDITH W. ROGERS, CHIEF JUDGE, DISTRICT OF COLUMBIA COURT OF APPEALS

FRED B. UGAST, CHIEF JUDGE, DISTRICT OF COLUMBIA SUPERIOR COURT

ULYSSES B. HAMMOND, EXECUTIVE OFFICER, DISTRICT OF COLUMBIA COURT SYSTEM

Mr. DIXON. The Committee will come to order.

Judge Rogers and Judge Ugast, if you would come forward.

We take up this morning the budget request for the District of Columbia Courts which includes three separate budget items: the District of Columbia Court of Appeals; the Superior Court of the District of Columbia; and the District of Columbia Court System.

We have before the Committee Judge Judith W. Rogers, the Chief Judge of the Appeals Court; Judge Fred B. Ugast, Chief Judge of the Superior Court and Ulysses B. Hammond, Executive Officer of the Courts.

COURT OF APPEALS (SEE PP. 1873–1877)

First, let's take up the request for the Court of Appeals.

As I understand it, the Mayor and Council propose a total of $6,041,000 and 88 positions for fiscal year 1994, which is the same as the FY 1993 enacted level.

Judge Rogers, the Court of Appeals proposes a total of $7,065,000 and 97 positions, an increase of $1,024,000 and 9 positions above both the fiscal year 1993 enacted appropriation level and the Mayor and Council's recommendation.

We have with us the Chief Judge, Judge Rogers.

INTRODUCTION OF CLERK OF APPEALS COURT

Judge ROGERS. Thank you, Mr. Chairman. If I may, let me introduce you to the clerk of our court, William H. Ng.

Mr. Ng. Thank you, sir.

Mr. DIXON. Nice to have you here, Mr. Ng.

PREPARED STATEMENT OF CHIEF JUDGE ROGERS

Mr. DIXON. Judge Rogers, if you have a prepared statement, we will be pleased to insert it into the record at this point.

Judge ROGERS. Mr. Chairman, I have a prepared statement, which I would ask be made a part of this hearing. And I would like to supplement that statement as well with a letter from the Presi-

dent-elect of the D.C. Bar, which accompanies the report from the D.C. Bar on a call for adequate funding of the District of Columbia courts.

[The prepared statement along with the letter and report referred to follow:]

STATEMENT OF THE HONORABLE JUDITH W. ROGERS
CHIEF JUDGE, DISTRICT OF COLUMBIA COURT OF APPEALS,
AND CHAIR OF THE JOINT COMMITTEE ON JUDICIAL ADMINISTRATION
on the
DISTRICT OF COLUMBIA COURTS' BUDGET
For FISCAL YEAR 1994
BEFORE THE HOUSE APPROPRIATIONS COMMITTEE
SUBCOMMITTEE ON THE DISTRICT OF COLUMBIA

JUNE 9, 1993

Chairperson Dixon and Members of the Subcommittee on the District of Columbia:

Mr. Chairman and Members of the Subcommittee. As Chair of the Joint Committee on Judicial Administration, and on behalf of Chief Judge Ugast of the Superior Court and the Executive Officer, Mr. Ulysses B. Hammond, we wish to thank you for an opportunity to present the Fiscal Year 1994 budget requests of the District of Columbia Courts.

Initially, as Chair of the Joint Committee, I will present an overview of the general fiscal demands facing the Courts of the District of Columbia, and then address the specific budget request of the Court of Appeals. Chief Judge Ugast will then discuss the budget request submitted by the Superior Court, and Mr. Hammond will conclude our presentation by discussing the fiscal needs of offices and divisions which principally serve the trial court system.

The District of Columbia Courts

The Courts of the District of Columbia are among the busiest in the nation. The caseload of the Court of Appeals, alone, has grown from 454 appeals in 1970 to 1,643 new appeals in 1992. During the past decade, the Court of Appeals caseload has never been less than 1,500 new appeals a year.

The growth in the workload of the Superior Court has been just as dramatic. As the National Center for State Courts reported in 1989, with 24,164 filings per 100,000 people,[1] the District of Columbia Courts reported the highest number of civil filings in the nation. Additionally, during the same year, with 6,757 new criminal cases per 100,000 people, the District's courts ranked seventh in the nation in terms of new criminal cases.[2]

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[1] *State Court Caseload Statistics: Annual Report 1989*, National Center for State Courts, Court Statistics Project, February 1991.

[2] *Id.*

In contrast, however, the growth in funding has lagged behind the growth in cases. The D.C. Bar's recent report, entitled *A Call For Adequate Funding For the District of Columbia Courts*, which is attached to my statement, is merely the latest, independent study which has confirmed that the D.C. "Courts have urgent needs that must be funded if they are to remain fully functional." Report at p. 30.

In response to the urgent needs which I have touched upon and which will be discussed in greater detail by myself, Chief Judge Ugast and Mr. Hammond, the Courts of the District of Columbia are presenting a budget that strives to strike a balance between the inescapable workload demands, which have been placed on the District's judicial system, and the fiscal constraints facing the District and the nation. This balancing effort has resulted in a proposed increase of $5,892,000 and 12 funded positions in Fiscal Year 1994 above the level of funding included in the budget request of the District government.

Approximately $2 million of the proposed increase is required simply to cover cost increases such as within grade pay adjustments, medicare increases, health benefit increases, and judicial pay adjustments for active and senior judges which are mandated and required by law.

A large portion of the remaining amount of the proposed increase is designed to cover cost increases caused by inflation. Accordingly, approximately $2 million of the proposed increase is designed to support a five percent pay adjustment for the Courts' non-judicial staff who received no pay adjustments in 1990 and 1991, and pay adjustments below the rate of inflation in 1989 and 1992. An additional $644,000 is designed to cover cost increases for computerized legal research, postage, supplies, machine maintenance, software fees, and security in the courts.

The remainder of the proposed increase will be used for a limited amount of equipment purchases, as well as a modest amount of planned maintenance and renovation that has been deferred for two fiscal years. In addition to the proposed increase of $5.9 million, the Courts of the District of Columbia are also seeking an additional appropriation of $150,000 to supplement the funds provided by the District's budget for basic, essential, janitorial services.

In short, the proposed increase is modest, largely unavoidable, and is only designed to maintain the current level of operations.

Inasmuch as the Council of the District of Columbia was well aware that the proposed increase requested by the Courts in

Fiscal Year 1994 was only designed to enable the Courts to meet unavoidable cost increases demanded by law or the marketplace, as well as to provide a limited amount of equipment purchases and renovation, it agreed that the request was both necessary and reasonable. However, due to the fiscal constraints facing the District government, the Council decided that it was unable to fund the requested increase from restricted available revenues. Instead, the Council has supported and recommended Congressional approval of an additional federal payment to support certain public safety activities, including the courts' request of approximately $5.9 million. The Council has requested approval of this additional funding: the Report of the full Council "strongly recommends the additional increases . . . be funded by an additional federal payment . . . ," noting that "[p]erhaps nowhere is the cost of the Federal presence more acutely felt than in the cluster of agencies for the public safety, security, and adjudication of justice within the District."[3]

A minimal, adequate level of funding for the Courts of the District of Columbia is such a vital public safety interest. As the D.C. Bar stated in its urgent and special study, *A Call For Adequate Funding for the District of Columbia Courts*, "adequate funding for the Courts is a necessity for the welfare of all the residents of the District of Columbia." Report at p. 13.

Accordingly, the Judicial Branch is a full partner in the efforts of the Executive and Legislative Branches of the District government to address crime and juvenile delinquency. The Mayor and the Council of the District of Columbia have enacted new and tougher laws to expand preventive detention and prosecution of domestic violence cases. The trial court assigns 29 of its 59 judges to the criminal division. The Hearing Commissioners assist in handling certain criminal and juvenile proceedings. The trial court has also created an additional calendar to handle child neglect and abuse cases.

Similarly, the appellate court devotes two-thirds of its calendar to criminal cases. By statute, the appellate court is required to expedite preventive detention and bail appeals as well as all interlocutory appeals by the government and in juvenile delinquency cases.

The request of the Judicial Branch must also be viewed in the proper perspective. The budget for the Judicial Branch of the District government represents only 2.6 percent -- <u>less than three percent</u> -- of the total operating budget for the District government. Furthermore, the courts have taken a number of actions to make efficient use of available resources. The courts

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[3] D.C. Council Committee of Whole Report at pp. 20, 22.

have also reviewed their fees and increased those fees that were outdated, thus increasing revenues for the District government by more than $2.2 million dollars since 1990.

The Mayor and the Council have supported and presented a Fiscal Year 1994 budget to the Congress which has included a budget of $111,439,000 to support the Courts of the District of Columbia. Of this amount, the Mayor and the Council have allocated $76,040,000 for the Superior Court, $6,041,000 for the Court of Appeals, and $29,358,000 for the court system. The courts are appreciative of the funding provided in the District's budget. However, this funding level would simply continue Fiscal Year 1993 level funding in Fiscal Year 1994. Under D.C Code § 11-743(b) (1989 Repl.), the Congress has retained direct review of the court's budget requests. Therefore, in view of the pressing demands placed on the Judicial Branch of the District government, we are requesting approval of funding over the amount included in the District budget submitted by the Mayor and the D.C. Council of $5,892,000 and 12 funded positions.

Included in the proposed $5.9 million dollar request is $4,341,000 for the Superior Court, $1,024,000 for the Court of Appeals, and $527,000 for the court system. Additionally, the court system is also seeking an additional appropriation of $150,000 to supplement the funds approved by the Mayor and the D.C. Council to support basic janitorial services for the courts.

THE DISTRICT OF COLUMBIA COURT OF APPEALS

While the proposed increase will enable the District of Columbia Courts to continue operating at the Fiscal Year 1993 level in Fiscal Year 1994, such a modest and limited measure cannot possibly substantially reduce the backlog of cases accumulating in the Court of Appeals. *See* Chart No. 1, attached. Such a step would require the enactment of structural and systemic change through substantive legislation. Four independent studies have repeatedly confirmed that, despite the management improvements and growth in productivity in the Court of Appeals, only the establishment of an intermediate appellate court will address the chronic backlog and delay plaguing the Court of Appeals. As the National Center for State Courts found in 1986, the District of Columbia Court of Appeals' caseload was "higher by far" than the caseload confronting the highest court in thirteen states which, at that time, did not have an intermediate court. Since that time, two states -- Utah, with only 623 annual filings and Nebraska, with only 1,207 annual filings, compared to the 1,650 filings in the D.C. Court of

Appeals, have established intermediate appellate courts.[4] Moreover, the workload of the D.C. Court of Appeals is greater than the combined appellate workload in nine (9) states that have both an intermediate and state supreme court.

Once again, with the support of the Mayor of the District of Columbia, a bill, H.R. 1633, has been introduced in Congress by the Honorable Eleanor Holmes Norton to establish the three-tier court system, recommended by four independent studies, which would consist of an expanded trial court of 63 judges and 19 magistrates, an intermediate appellate court of nine judges, and a highest court of seven justices. Senator Lieberman introduced similar legislation in the last Congress and I anticipate that he will do so again in the 103rd Congress. I urge the support of the Committee for this proposal.

However, until the establishment of a three-tier court system, the Court of Appeals and the Superior Court must attempt to make the current system workable. Unlike the trial court, however, where only one judge presides over a trial, the appellate court decides cases collegially. Adding judges to the current appellate court will not solve the fundamental problems of congestion and delay. The nine active appellate judges, assisted by retired Senior Judges, decide appeals in three-judge divisions. Increasingly rarely, because of workload pressures, the full court sits en banc to hear an appeal. In 1992, the full court sat only five times, thereby relegating decisions on important questions of District law to a majority of two out of three judges in a division. This is a situation deemed intolerable by a D.C. Bar Study as early as 1979, when delay on appeal was only 15.5 months.

The appeals are from final decisions of the trial court and administrative agencies, boards and commissions of the District government. In addition, the Court of Appeals has original jurisdiction over certain matters. The volume of appeals continues to increase, up to 1,643 in 1992 from 1,567 in 1991. So does the complexity of issues on appeal and motions. Assisting the Court of Appeals is a small Clerk's Office of 44 employees, who annually handle over 15,000 filings and applications, as well as case management and bar admissions responsibilities and staff support to the Court's three committees.

In 1990, with the assistance of this Committee in the Fiscal Year 1989 Appropriations Act, the Court implemented a Case Management Plan to move cases and motions more quickly through the appellate court. The success of the Plan is demonstrated in

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[4] State Court Caseload Statistics: Annual Report 1990 (National Center for State Courts) at 152, 154.

the 1990 and 1991 statistics showing record levels of dispositions. *See* Chart No. 2, attached. However, having weeded out old and frivolous appeals, the level of dispositions in 1992 returned to previous levels. Despite increased judicial productivity, the time on appeal is 22 months, nearly two and a half times the American Bar Association Standard of 280 days. *See* Chart No. 3, attached. Since its establishment, the size of the trial court has nearly doubled; since 1986 there have been 15 additional trial judges and 14 additional Hearing Commissioners and associated trial court staff. Hence, pressures on the appellate court are unlikely to decrease over time.

The requested Fiscal Year 1994 increase will enable the Court of Appeals to maintain its Fiscal Year 1993 level of operations. As proposed, it will provide a total increase of $1,024,000. Approximately $180,000 of the proposed increase will be used to cover costs mandated by law such increases for health benefits, fringe benefits, medicare, within grade pay adjustments, and judicial pay increases mandated by law. An additional $120,000 will provide a five percent cost-of-living adjustment for employees who have received no pay adjustments in two of the last five fiscal years, and pay adjustments below the level of inflation for three of the last five fiscal years. This is consistent with the cost-of-living increase request of the Mayor and Council for other District government employees.

Approximately $150,000 of the proposed increase is only designed to respond to cost increases in providing basic services such as postage, machine maintenance, computerized legal research, basic supplies and the cost of one coin-operated copier for use by members of the public.

In order to make best use of the Court's limited space, a total of $300,000 is sought to (1) refurbish a computer room, (2) to create a meeting room for the Committee on Admissions and Committee on Unauthorized Practice of Law, which currently have no space in which to conduct adjudicatory hearings, and (3) for basic repair and maintenance work, which has become non-deferrable as a result of wear and tear to the public areas, the courtroom, the corridors, the library and offices of the Court.

Finally, the Court of Appeals is seeking $129,000 to fund five of nine positions. The Court's only computer systems analyst, who is responsible for three different computer systems, is manager, maintainer, programmer, developer and trouble shooter. Staff assistance is required in order to assure that the current systems function productively and more effectively. Assistance is also required to enhance the capability of the Clerk's Office to provide information about pending appeals and to keep track of appeals as they progress through the Court. A single computer systems analyst cannot handle three computer

systems, much less provide assistance in judges' chambers on individual computers.

Similarly, because of the heavy volume of procedural and complex substantive motions that are filed annually in the Court, an additional staff attorney is required. The motions involve not only a high volume of procedural motions, but complex motions which require considerable staff time to address, both in terms of legal research and procedural issues. In addition, the court processes some five emergency matters per month.

Appropriate assistance must also be provided to *pro se* litigants who appear in a large number of appeals. In order to process these appeals through the Court, considerable time of the deputy clerks is now diverted from other important tasks of the Clerk's Office. The current staff level is insufficient to meet the needs of the *pro se* litigants. Efforts to obtain grant funding have proven unsuccessful.

The volume of work associated with admissions to the D.C. Bar, which also produces revenues for the District treasury, requires a deputy clerk. In 1992 the Clerk's Office handled 318 bar examinations, 3,007 applications for admission on motion, and 3,126 requests for certificates of good standing. This is in addition to hundreds inquiries by letter, telephone and in person. The staff also assists in the review of 320 *pro hac vice* applications for attorneys in other jurisdictions to appear in the local courts and almost 300 applications for law students to appear in the local courts.

Similarly, the volume of work associated with the Chambers of the Chief Judge requires additional assistance. The Chief Judge carries the same heavy caseload of an active appellate judge while performing additional responsibilities as chief judge of the District's highest court, chair of the courts' policy-making body -- the Joint Committee on Judicial Administration -- and administrative head of the appellate court. Over the years a variety of responsibilities have been assigned to the Chambers of the Chief Judge. Additional assistance is required to handle the high volume of correspondence, the large number of committee and reporting assignments, the analysis of reports and studies, and the proper monitoring and circulation of materials, reports, correspondence and documents to the trial and appellate courts, to agencies outside of the Judicial Branch, and to courts in other jurisdictions. The Chief Judge is now assisted by only one administrative assistant and a secretary, whose time is principally devoted to case-related matters.

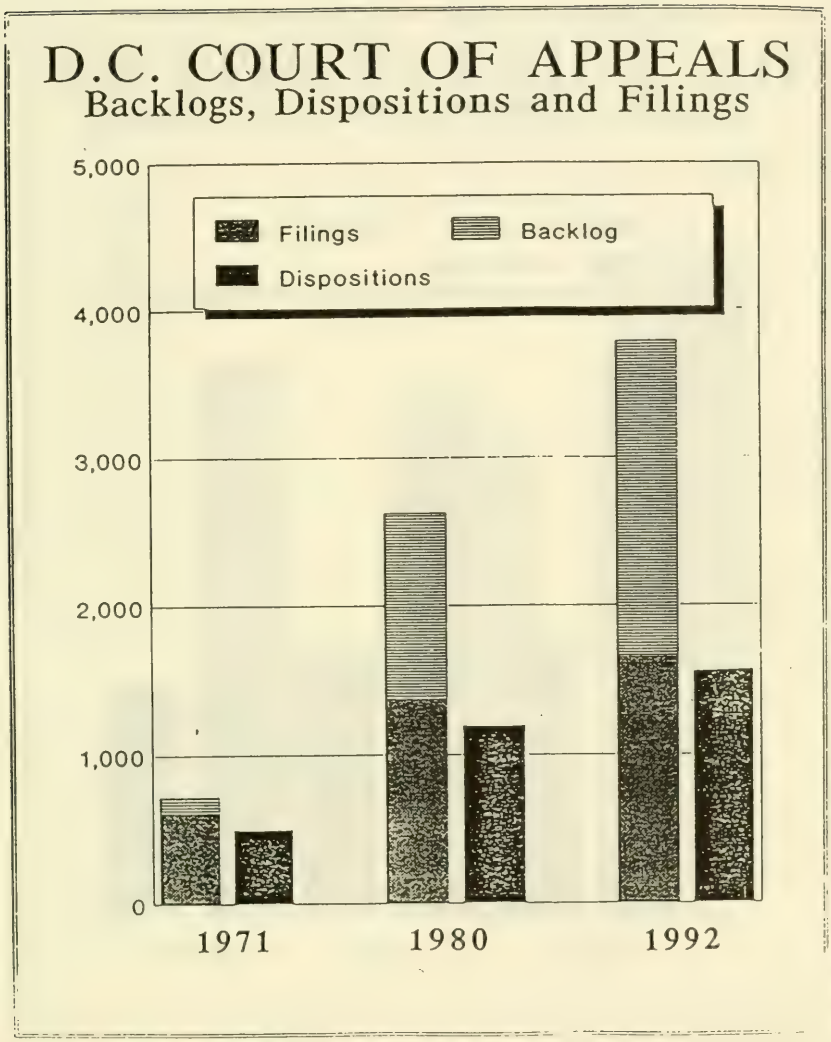
Notwithstanding the caseload pressures on the Court of Appeals, in the interests of assuring that only what is necessary is requested, the Court is limiting its request to funding for

is requested, the Court is limiting its request to funding for five positions in Fiscal Year 1994 even though it is clear that no less than nine positions are urgently needed. The other four positions include a deputy clerk to assist with copying court records and other file room responsibilities, a deputy clerk to assist in monitoring the appeals and motions pending in the Court, and two staff attorneys to provide assistance to the Senior Judges and the Case Management Program, which reviews appeals for early disposition and prepares legal memoranda on motions.

Accordingly, in order to enable the District of Columbia Court of Appeals to maintain its essential Fiscal Year 1993 operating level, I request approval of the proposed increase of $1,024,000 and five positions for the Court of Appeals in Fiscal Year 1994. The Court of Appeals relies totally on appropriated funding; it has no grant funds or federal reimbursements to fund its operations. The Court also has no judicial or other vacancies from which to reprogram funds to maintain current operations. Hence, support for the full amount of the appropriated funding request in Fiscal Year 1994 is most important.

Attachments

CHART 1


D.C. COURT OF APPEALS
Backlogs, Dispositions and Filings
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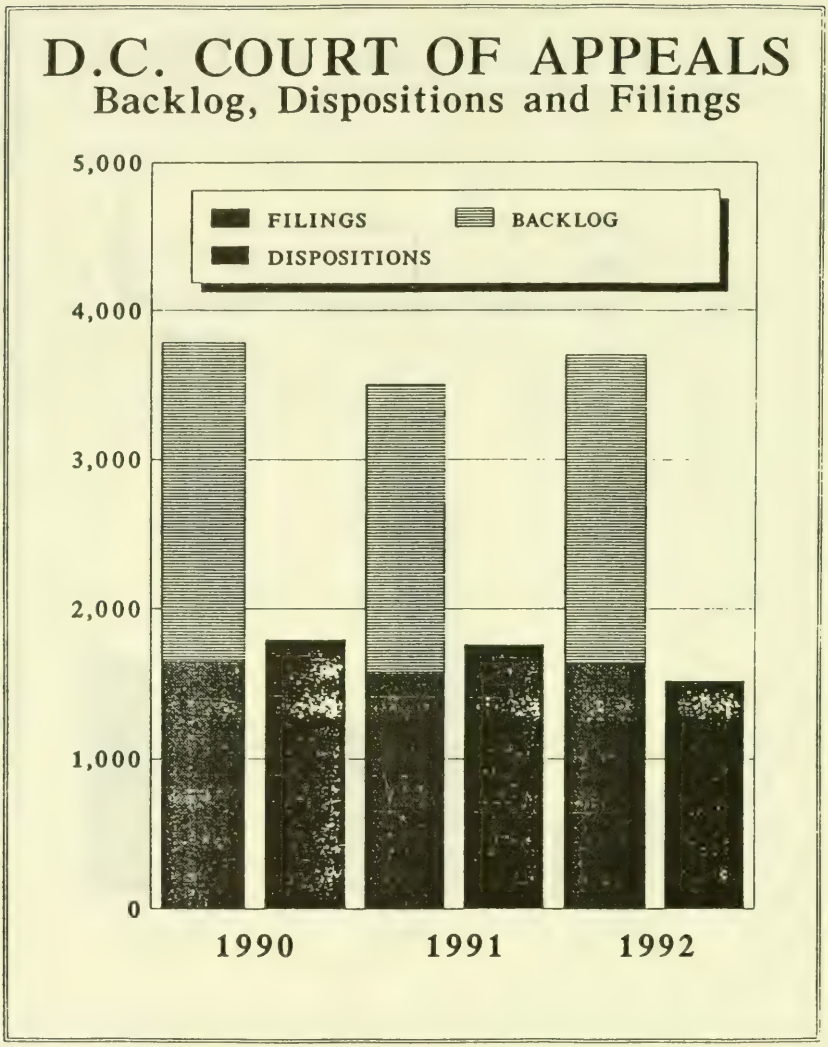
4,000
3,000
2,000
1,000
0
Filings
Backlog
Dispositions
1971
1980
1992

CHART 2


D.C. COURT OF APPEALS
Backlog, Dispositions and Filings
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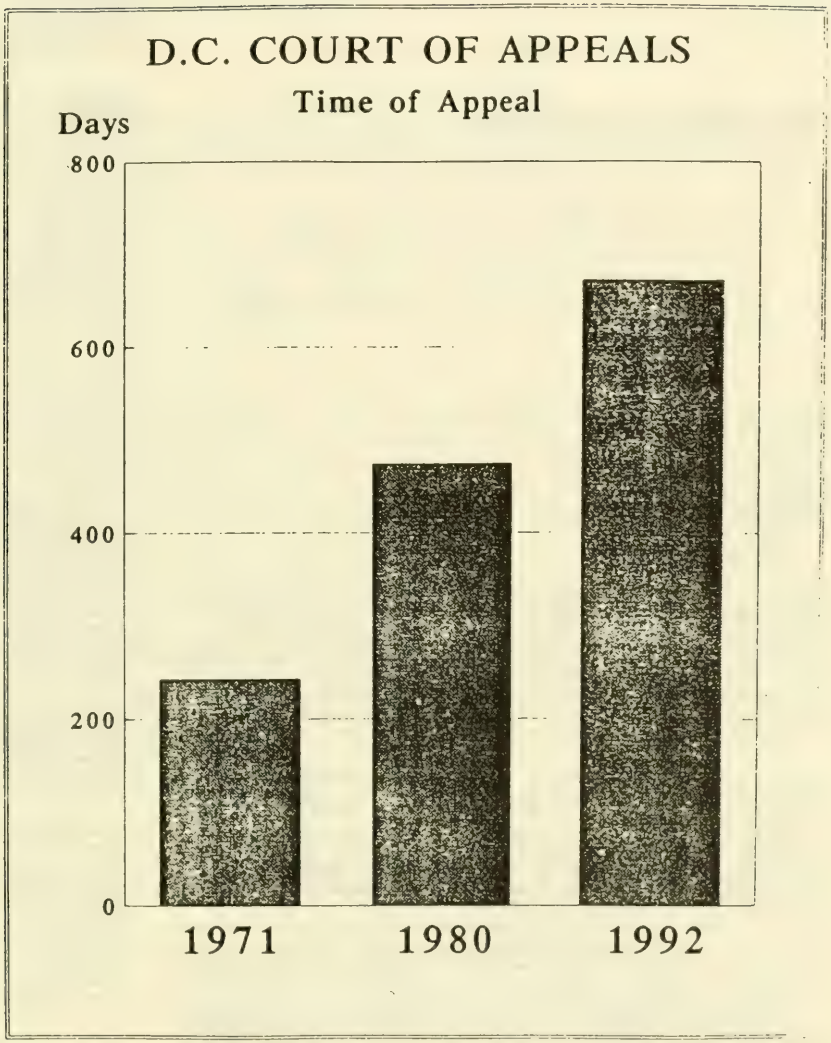
4,000
3,000
2,000
1,000
0
FILINGS
BACKLOG
DISPOSITIONS
1990
1991
1992

CHART 3


D.C. COURT OF APPEALS
Time of Appeal
Days
800
600
400
200
0
1971
1980
1992

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THE DISTRICT OF COLUMBIA BAR

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January 28, 1993

Jamie S. Gorelick
President
Mark H. Tuohey, III
President-Elect
Eileen Sobeck
Secretary
John D. Bates
Treasurer

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Cynthia D. Hill
Assistant Executive
Director, Programs

The Honorable Sharon Pratt Kelly
Mayor
District of Columbia
441 Fourth Street, N.W.
Suite 100
Washington, D.C. 20001

Dear Mayor Kelly:

With a sense of great urgency, we transmit to you today the enclosed report, A Call for Adequate Funding for the District of Columbia Courts. It was prepared by our Task Force on Court Funding and supports the Bar's strongly-held conviction that it is critical to the peace and welfare of the residents of the District of Columbia that its courts have funding adequate to ensure their sound operation.

The Task Force developed this report after numerous interviews with practitioners, judges, court administrators, and others, and after detailed study of court statistics, budgetary material, and additional documents. We urge you to review it and take serious account of its analysis in conjunction with your upcoming formulation of a budget recommendation for the Courts for fiscal year 1994.

The Superior Court, the Court of Appeals, and the Court System comprise the Judicial branch of the government of the District of Columbia, a branch that is co-equal and co-ordinate with the Executive and the Legislative branches. Yet the entire Judicial branch operates on less than three percent of the District's

overall budget. Despite the enormous pressure you are under to cut budgetary requests this year, we believe that the Executive and Legislative branches owe serious deference to the Judicial branch's measure of its minimal requirements.

In recent years, there have been significant gaps between the Courts' budgetary requests and the District's recommendations to Congress, with decreases ranging from four percent to nine percent. These cuts suggest that the Courts' requests have typically been treated as unrealistically high and insensitive to competing needs at a time of financial crisis for the District.

Our study suggests that this perceived fat is not there. On the contrary, the Courts have taken many steps to stretch their budget dollars by improving their efficiency: the Superior Court's Civil Delay Reduction Program has reduced the time for resolving a typical civil case by almost fifty percent; The Superior Court has put a promising analogue in place on the criminal side of its operations; and the Case Management Program has been effective in improving the process for resolving cases and motions at the Court of Appeals, for example. The Courts have taken numerous measures -- delaying law clerk hires, suspending continuing judicial education, carefully scrutinizing all requests for supplies, postponing issuance of Bar membership certificates, for example -- to reduce their expenditures. They have recently raised their filing fees.

But there are real signs that their budget request cannot be severely cut once again without creating increasingly precarious conditions. To cite only a few examples:

(1) In August 1992, the Superior Court was forced to cancel virtually all jury trials.

(2) A personnel hiring freeze and equipment purchase and replacement freeze, in effect for most of 1992 and loosened only marginally at present, threatens to handicap Superior Court operations by leaving crucial administrative positions vacant and computer equipment subject to frequent breakdown.

(3) The Court of Appeals has stopped printing its opinions and is forced to operate with serious

understaffing that makes it particularly vulnerable to additional delay.

(4) The judges of the Court of Appeals rarely can sit en banc, which undermines the Court's ability to speak with one voice and without conflict on the most difficult issues.

In the meantime, the workload at both the Superior Court and the Court of Appeals remains very heavy, and not subject to any easy limitations: the Courts cannot turn applicants for justice away from their doors, or tell the community that they do not have the resources to put persons arrested for felonies on trial, for instance. In fact, the Courts' workload increases as a result of actions of the Executive and Legislative branches (the Prevention of Domestic Violence Amendments Act, for example, and Operation Clean Sweep can create new groundswells of demand at the Courts), but the Courts are not allocated additional resources to handle the increased services required of them.

In the absence of adequate resources, the Courts' backlogs have been growing in significant areas. Over 4,000 felonies currently await trial in the Superior Court; over 2,000 cases await consideration on appeal at the Court of Appeals. Further, the Court of Appeals now requires an average of 666 days -- one year and ten months -- to dispose of an appeal. This is almost two and one half times the standard of nine months set by the American Bar Association as appropriate for disposition of an appeal. It is an old but apt maxim that "justice delayed is justice denied." The Courts of the District of Columbia must have sufficient resources so that they do not routinely deny justice through delay.

The Courts plainly have urgent needs that must be funded if they are to remain fully functional. We urge you to respond favorably to the Courts' upcoming budget request for fiscal year 1994, with the wisdom born of an accurate, farsighted assessment of the Courts' central and irreplaceable role in the peace and welfare of all the residents of the District of Columbia.

We remain ready to meet with you to brief you more fully on our views about this pressing matter.

Thank you for your attention.

Sincerely,

Jamie S. Gorelick
President

Mark H. Tuohey III
President-Elect

A CALL FOR ADEQUATE FUNDING FOR THE DISTRICT OF COLUMBIA COURTS

Report of the D.C. Bar's Task Force on Court Funding

Jamie S. Gorelick, Chair
Duane K. Thompson, Vice Chair
Francis D. Carter
Frederick D. Cooke, Jr.
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A Call for Adequate Funding for the District of Columbia Courts

Under acute pressure and in painful budgetary circumstances, the Mayor and the Council are called upon to put together a budget for the District for fiscal year 1994. The Mayor has already forecast a one billion dollar deficit for the District over the next two fiscal years. One independent budget analyst has warned that "the District risks running out of cash within a year." The District is faced by competing demands for funds -- for schools, hospitals, neglected children, and homeless persons, among others with compelling needs -- and is beset by shrinking revenues and by the impact of a long national recession. It is forced to operate with a Federal Payment seen by many as dramatically inadequate, given the federal government's untaxable presence in the Capital City.

The pressure is almost irresistible, in a fiscal crisis of this magnitude, to cut allocated funds to every individual and every institutional recipient, to trim every element of the budget without careful attention to each recipient's current condition and without assessing the long-term and indirect effects of further cutbacks. This may be so especially in the Executive and Legislative branches' consideration of the Courts, whose voice in the budgetary debate is historically and of necessity a soft one.

We believe, however, that the potential costs of continually underfunding the court system will be painfully felt by every citizen of the District, as well as by the Mayor and the Council: it will harm the District's prospects for peace and

order. When the Courts' funding falls below a minimal level, the foundation of our government weakens. This vulnerability may be hard to calculate with precision, but it is simply too profound to ignore.

This paper is presented by the D.C. Bar to urge the Mayor and the Council to weigh carefully the likely effects and the implications of underfunding the Courts as they compose their budget proposal for fiscal year 1994, and to defer where possible to the Courts' assessment of their operational requirements. The Courts must have adequate funding.

The Courts' work directly touches virtually every citizen: whether as juror, witness, litigant, landlord, adoptive parent, tenant, divorcee, parolee, or otherwise. Indirectly, of course, the effect of the Courts' work is even more pervasive: as part of the war on crime, they mete out punishment after conviction and help safeguard the community; as interpreter of the law of the District, their operations affect all of us daily. Yet the entire Judicial branch operates on less than three percent of the District's overall budget.

The Courts are the community's safety valve. They afford citizens a place to seek justice peacefully, off the streets. Disturbances like those in Mt. Pleasant, in 1991, need not turn into Los Angeles's riots, if the Courts provide access to all and hold the promise of resolving in a civilized and timely fashion the disputes that arise between neighbor and neighbor, husband and wife, employer and employee, citizen and the government. Confidence in the rule of law is a necessity, if the

governed are to be willing to be governed. Without adequately funded and soundly functioning courts, this confidence is harmfully eroded.

The job of funding the Courts is different from that of setting the right level of appropriation for government agencies or for the two other branches of the District government. Unlike agencies of the Legislative and Executive branches, the Judicial branch of the District of Columbia cannot simply turn away applicants for justice or otherwise reduce its workload. The Superior Court cannot suddenly declare that, for lack of funding, it will no longer handle divorce cases, or cases requiring language interpreters, or that it will ignore misdemeanors to concentrate on felonies. The Court of Appeals cannot simply refuse to handle appeals, much less appeals submitted by people who do not have the resources to hire a lawyer, for example. The Courts are bound by law to act on these matters, no matter how numerous or burdensome.

Also unlike government agencies, and the two other political branches of government whose budgetary needs are resolved in the political process, the Courts have a duty to provide speedy and just resolution of all matters that come before them, no matter how the size of their docket increases. A defendant awaiting trial, a child who is the victim of neglect, a couple awaiting a divorce and custody decree, a small businessman attempting to resolve a dispute cannot be turned away or held in limbo for an indefinite period of time. It is an old but apt maxim that "justice delayed is justice denied." The Courts must

have sufficient resources so that they do not routinely deny justice through delay.

The Courts' workload is, in critical areas, shaped by the actions of the Executive and Legislative branches: the effects of the Prevention of Domestic Violence Amendment Act (reducing the standard for arrest in battering cases) or of Operation Clean Sweep, for example, can be felt like a ground swell in the Courts. But, in contrast to agencies that receive additional resources to handle additional tasks, supplementary resources are not allocated to the Courts to reflect new demands by the Executive and Legislative branches.

We must not forget that the Courts are a coordinate and equal branch of the District Government. They are as essential to the District's foundation as are the federal courts to the tripartite system of checks and balances that has characterized our national government for over two hundred years. The District's judiciary is not simply another in a long line of supplicants to the Mayor and the Council. As such, the Courts' assessment of their own needs is due serious deference.

It may seem easy to disregard this proposition: the Courts have a history of relative silence in the budget battles within the Executive and before the Council. Cuts and underfunding might seem more easily made there than in the agencies, especially those that have vocal and organized constituencies. But the judiciary has operated within a tradition of restraint and remove from the hurly-burly of budget battles, to preserve its role as an effective and impartial adjudicator. It

cannot energetically plunge into the fray of fiscal bargaining, and strike deals in which it will "owe" the branches that it may later be asked to judge.

The 1973 "Home Rule" Act emphasized the importance of the Courts' remove when it called for the Courts to prepare and issue a budget for submission to the President and Congress, with only recommendations, not revisions, by the Mayor and Council. This had the positive effect of establishing in the Courts a practice of careful review and of restraint in shaping their own budgets. The Act assured that what is presented to Congress is neither a bluff nor an opening bargaining position, but a rigorous and lean proposal. Within the structure of the Act, the Courts, as an independent branch of government, have in the past appealed to Congress when the Mayor and the Council sought to reduce funding to levels at which the Courts felt they could not soundly function.

As the statehood movement has gained momentum, the Courts have as a matter of comity and policy refrained from using the congressional avenue of recourse. Yet as the economy has weakened, as resources have shrunk, and as the debate has become correspondingly heated, the gap between the recommendation of the District and the request of the Courts has become a chasm.

For example, in fiscal year 1993, the Mayor recommended a deep cut in the Courts' budget request; through the efforts of the Council, and in the absence of a Mayoral veto, the cut was limited to roughly four percent -- still a significant figure. In fiscal year 1992, the District's recommendation was roughly nine

percent less than the Courts' joint request; and in fiscal year 1991, almost eight percent less. In these three years, the absolute dollar shortfall between the request of the Courts and the recommendation of the District has ranged from almost $4 million to roughly $9 million. Even these figures understate the gap, for they do not reflect additional sums that the Courts were requested to, and did, refund to the District from their appropriations midway through two of those fiscal years, in an effort to help balance the District's budget.

They also do not reflect the $7.7 million contribution from fees and other revenues that the Courts generate for the General Fund. The Superior Court and the Court of Appeals have recently revised their fee structure, adding roughly $2 million to the District's revenues. Because such a step affects the average citizen's access to justice (the cost of filing a new civil action in Superior Court has gone from $45 to $120), it cannot be repeated without serious risk to the fundamental functions of our Courts.

It is the Bar's view that each year's gap between the Courts' needs and what they are allocated -- and the cumulative effects of this underfunding -- are increasingly impairing the ability of the Courts to function effectively and to preserve the confidence of the District's citizens in them as a reliable avenue to justice.

We recognize, as any student of the District's budget must, that the protection that Congress has afforded the District's courts has caused occasional friction among the three

branches that has not disappeared during the twenty years since the structure was created. In particular, the fact that Congress long ago tied judicial and court salaries to federal salaries has created the impression among some that the Courts' budget is fat, and that somehow additional resources can and should be squeezed from it.

But the history of the District's courts as a part of the federal court system cannot simply be ignored: wisely or unwisely, Congress confirmed those ties by statute. The federal links have provided the District's courts with the services of the U.S. Attorney and U.S. Marshals. The salaries that rankle have also ensured that the District courts, by general consensus, have attracted and kept on the bench and in its administration highly competent, well-trained personnel who are committed to their jobs, and who bring great energy and devotion to a field that is increasingly fraught with frustration. Those salaries do not, however, provide a deep well from which the Courts can pay printers for subpoena forms or buy computer terminals and current case reports.

Underfunding the Judicial branch and giving inadequate weight to the Courts' assessment of their basic needs can create a precarious situation. Despite aggressive management techniques and internal cost-cutting and penny-pinching, the following events (among others) have taken place:

(1) In August 1992, near the end of the last fiscal year, the Superior Court was forced to cancel virtually all jury trials.

(2) The backlog of untried criminal felony cases at the Superior Court has exceeded 4,000 cases, an all-time high. (In contrast, in 1972, the backlog at year's start was 556 cases.)

(3) The average time for disposition of a case at the Court of Appeals grew to 666 days (in 1991) -- roughly 22 months, or almost two and a half times the American Bar Association standard of nine months. The backlog at the Court of Appeals is now over 2,000 cases, despite increased productivity of the nine judges on the Court and help from senior judges.

(4) A personnel hiring freeze was put into effect at the Superior Court and the Court of Appeals from February through September 1992, leaving vacant the positions of director of the Civil and Criminal Divisions at the Superior Court, and two key staff positions, including the Clerk of the Court, at the Court of Appeals.

(5) An equipment purchase and replacement freeze was in effect for the same period, so that ten-year-old

computer terminals that repeatedly break down could not be replaced. This had the effect of requiring (for example) Civil Division employees to spend the start of each day locating operational computer terminals before beginning the day's data-input work. The Clerk of Superior Court must now review even routine requests for supplies, such as computer disks and ballpoint pens.

(6) Many printed forms, including some that must be completed in triplicate, are no longer available in the Courts. Subpoena forms, once printed and issued to attorneys trying to ensure a witnesses' appearance, must now be individually photocopied (in triplicate) each time an attorney makes a request for one. Court of Appeals opinions are now duplicated by a mailroom clerk, not printed as in the past and as in virtually every other jurisdiction. The routine issuance of certificates of membership in the District of Columbia Bar was suspended for a time for lack of funds.

(7) The Judges at the Court of Appeals, who interpret and state the law of the District, can rarely sit en banc, which undermines the Court's ability to speak with one voice on the most difficult issues. The Court of Appeals judges work with severely restricted electronic research tools. For one month last year,

they worked without law clerks who, in most courthouses, provide preliminary research and analysis of the law.

(8) The seven senior judges at the Court of Appeals are allotted a total of two law clerks and two secretaries to do their work. (Regular appeals court judges rely on two law clerks and one secretary each.)

(9) The Superior Court handles $51 million of receipts and disbursements a year -- the most significant portion in monthly child support payments -- yet handles a great part of its transactions manually, its bookkeepers making handwritten entries in one set of journals.

These are only some examples of the effects that repeated underfunding has had on the operations of the District of Columbia Courts.

Given the limitations on their resources, the Courts are doing what they can to preserve their crucial role in the District's operations. For example, the Superior Court has dramatically improved its efficiency on the civil side in the past two years, by moving to an individual calendar system that has received wide plaudits. This has meant that a high proportion of civil cases are now resolved within one year of filing. The creation of the Multi-Door Alternative Dispute Resolution

Division, with its emphasis on arbitration and mediation, has also dramatically cut delay on the civil side. It has become a model for the nation -- and was done with federal funds sought by the Courts separate from their District appropriation. A new criminal calendar system, to be instituted in January 1993, promises to sort criminal cases more effectively, winnowing those that can be pressed forward rapidly from those that might otherwise clog the path to justice. Automation has reduced personnel needs in some cases, and has ensured accuracy and speed that are vital to litigants and to the judicial system.

The Court of Appeals has instituted a variety of programs to improve productivity and expand its ability to decide more cases without greatly increasing the backlog. A Case Management Program was established in 1989, to improve the Court's ability to respond to a high volume of motions. Case managers systematically reviewed cases in the backlog, and over time weeded out dead wood. The Court has amended its rules to reduce continuances, and established procedures for record transmission and transcript preparation to eliminate delays. It has established additional summary and motions calendars, expanding motions practice. It has also provided word processing in judicial chambers. The result has been to streamline procedures and enable the Court to handle a higher volume of difficult substantive motions and emergency appeals, as well as numerous appeals that are expedited by statute.

Of these and many other measures, the District courts can be proud. But many such measures themselves have yet to be

permanently funded by the District, modest though their needs are. Several innovations are on the brink of elimination, despite their remarkable contribution to the handling of an increasingly demanding caseload.

We cannot overemphasize that adequate funding for the Courts is a necessity for the welfare of all the residents of the District of Columbia. Any review of the Court's budget by the Mayor and the Council should concentrate on broad program levels of funding -- e.g., Criminal Justice Act representation, Child Abuse and Neglect representation, Affirmative Dispute Resolution, Probation Services -- rather than line-by-line review, leaving to the Court leadership the decisions on line item spending. Further, we urge the Mayor and the Council, in their review of the Court's budget for fiscal year 1994, to proceed with care and deliberation when forming recommendations, despite the enormous pressure of the current fiscal crisis. We urge the Mayor and the Council to heed the Courts' call for funds adequate to ensure their effective operation.

The History of this Paper

In February 1992, the Board of Governors of the District of Columbia Bar established this Task Force on Court Funding. It was charged with studying the adequacy of the funding for the District's courts, and with developing recommendations in support of funding adequate to enable the Courts to perform their core functions. The Task Force was the Board's response to requests for such studies made by Chief Judge Rogers and Chief

Judge Ugast at the January 1992 meeting of the Bar Leadership Conference.

At the Bar's Annual Meeting in June 1992, the Board of Governors sought and obtained authorization from the membership to "make public statements and recommendations to support adequate funding for the District of Columbia courts."

The Task Force assembled and analyzed information concerning the budgets and operations of the District's courts. It made an effort to obtain a wide spectrum of views on the subject, from criminal to civil to appellate practitioner, from jurist to administrator, from old hand to newcomer. The Task Force wishes to thank all those who gave their time and attention to responding to its inquiries.

Review of the District of Columbia Courts in 1991-1992

The Superior Court, the Court of Appeals, and the Court System constitute the Judicial branch of the District of Columbia government. The branch is administered by the Joint Committee on Judicial Administration, on which sit the Chief Judges of the Superior Court and the Court of Appeals, one associate judge of the Court of Appeals, and two associate judges of the Superior Court. The Executive Officer serves as Secretary to the Committee. The chief judges are additionally responsible for administration within their respective courts.

The Superior Court

The Superior Court is a court of general jurisdiction, and the only "fully-unified" tribunal in the country: it performs functions that in other jurisdictions are allocated among various courts that operate on municipal, county and state levels. It has five divisions: Criminal, Civil, Family, Tax, and Probate. Small Claims and Landlord and Tenant Branches are included in the Civil Division. Through its "Multi-Door Courthouse," the Court also offers alternative dispute resolution programs that make non-trial methods of settling problems available to residents of the District and reduces the Court's civil docket.

The Criminal Division

The Criminal Division handles felony cases and misdemeanor cases prosecuted for the violation of either federal or District laws, as well as traffic violations and certain D.C. municipal matters. Approximately 30 percent of the Superior Court's new case filings in 1991 were in the Criminal Division, and more than 50 percent of the Superior Court's judges are assigned to this Division. Its workload is critical to public safety in the city, and it has been steadily increasing in volume, complexity and challenge.

The District's felony homicide indictments alone increased by five percent between 1990 and 1991. In the most recent decade for which there are statistics (from 1981 to 1991), new felony indictments filed at the Court more than doubled, going from 3,600 to over 9,000 new filings a year. Felony

pre-indictments (the whole range of court activities resulting from arrests for felonies) leaped from approximately 7,300 in 1981 to 14,800 in 1991.

Criminal domestic violence cases, and pre-trial detention cases, which must be tried within 120 days of arrest, also contribute to a demanding caseload: the Chief Judge projected an annual increase of 700 "fast-track" pre-trial detention cases in 1992 "just in those matters in which the defendant is charged with a crime of violence committed with a firearm." Some judges in the Criminal Division have over 700 misdemeanor cases on their individual dockets.

Apart from new filings, the backlog of felonies in the court system has now topped 4,000. This is a remarkable fact, that in a city of some 580,000 residents, over 4,000 indicted persons await trial. It means that the time lag between indictment and trial can be so long that witnesses become unavailable and cases become harder to prosecute.

The demand for criminal jury trials has also increased, not surprisingly, over the past decade, from almost 600 actually tried in 1981 to almost 800 in 1991. Most of the felony judges with the less complex felony cases have at least two cases scheduled for trial every day of the week. It is a regular occurrence for a prosecutor in a felony case to receive a trial date and to show up on the appointed date with witnesses and experts at the ready, only to learn that all judges available to try felonies that day are already in trial.

Each call for a jury in a felony case means that the Juror Office needs to supply over 50 prospective jurors for examination and possible empanelment -- another increasing demand for the management of people and resources. Each criminal trial requires resources in courtroom security, in security for transporting and supervising the defendant, and in the numerous other steps in the process of reaching a just verdict. A significant number of such cases are attended by publicity and the accompanying demands of the media and of the public for information.

If appropriate (that is, weighted) statistics about them were available, these and other criminal matters would demonstrate that, as the absolute numbers of prosecutions for serious crimes are increasing, the demands on the time and resources of the Court by individual cases are routinely increasing as well. The Superior Court is attempting, with a new calendaring system to be put in place in early 1993, to reduce the backlog and speed up adjudication of these matters. But the challenge is daunting. The Courts must have adequate resources to handle these demands.

The Civil Division

The Civil Division of the Superior Court has jurisdiction over all civil actions in the District, regardless of the amount in controversy. The division includes the Civil Actions, Small Claims, and Landlord and Tenant Branches. On a per

capita basis, it receives civil case filings at a higher rate than in any state in the country.

Its annual load of new civil action filings, excluding Landlord and Tenant and Small Claims, has gone from an average of between 11,000 and 12,000 in the mid-1970s, to between 15,000 and 16,000 in the past few years, and 16,412 in 1991, an all-time record number. Preliminary numbers support projections that the number of civil actions filings has increased even further in 1992. The current caseload in the Civil Actions Branch of the Civil Division is about 600 cases per calendar. (There are twelve regular civil calendars, each assigned to an individual judge.) In addition, each civil calendar receives about 175 motions to act on in a week. Some are routine, but many are not.

In 1991, 58 percent of all case filings in the Superior Court were with the Civil Division. Most observers believe that these cases, like those on the criminal side, are increasing in complexity. Over 65,000 Landlord and Tenant cases and roughly 30,000 Small Claims cases are annually filed in their respective branches. But over the past five years, resources have regularly been diverted from the Civil Division to the Criminal Division in an attempt to cover urgent demands there.

The very successful civil delay reduction program has managed to reduce the backlog on the civil actions side dramatically. The program is highly dependent on data processing and detailed computerized reports that are used to monitor cases, issue dismissal and default notices, and schedule cases for mediation, pretrial and other conferences and hearings.

Yet most of the Civil Division's computers were purchased about a decade ago. Since then, they have been used for data input eight hours a day, five days a week. Aside from being antiquated, they are so frequently out of service that a daily management task has been to find working terminals for Court personnel to use.

The Superior Court has had success in managing its civil docket by developing the Multi-Door Dispute Resolution Division, an alternative dispute resolution mechanism that enables litigants to seek satisfaction other than through expensive trials. Almost 5,500 cases are now annually referred to the program for arbitration, mediation, or neutral case evaluation. In an average year, over 50 percent of the cases in mediation are settled, and roughly 75 percent of those in arbitration reach a successful disposition. The minimal staffing needs of this program have been filled almost entirely by temporary personnel: despite the program's demonstrated effectiveness, those positions have still not received permanent funding by the District.

The Family Division

The Family Division hears juvenile, domestic relations, paternity and child support, child neglect, mental health and mental retardation, and other cases. In the fifteen years from 1976 to 1991, paternity and child support filings in the Family Division climbed from over 14,000 to well over 18,000 matters annually; in the past five years, the number of abuse and neglect cases filed in the Court has risen by almost 60 percent.

Staff members in the Family Division face special demands. Aside from the particularly sensitive nature of the cases that they handle, in over half of those matters, one or both parties appear pro se, according to a recent study prepared by the Bar's Task Force on Family Law Representation. In almost three-quarters of the cases in which civil protection orders were sought to prevent domestic violence, one or both parties appeared on their own behalf, without a lawyer. In one-third of those cases, both parties were pro se. The absence of lawyers in these cases requires Court personnel -- including judges -- to teach litigants about the procedures of the courtroom and how the relevant pleadings are to be filed.

Other Functions of the Superior Court

The Probate Division supervises the administration of estates, guardianships, conservatorships, and certain trusts. It is regularly faced with over 3,000 new matters a year. The Tax Office hears tax appeals (property, income tax, and other) brought by or against the District government. In 1991, it received 351 new matters for disposition (twice the number of matters filed five years earlier.) At the end of 1991, it was holding a backlog of 687 cases. It is staffed by one person. Even without the Mayor's ongoing revision of property assessments in the Computer-Assisted Mass Appraisal project, which can reasonably be expected to generate additional appeals, this staffing level is plainly inadequate.

The Superior Court is also charged with many ancillary tasks, including managing the calls for and queries by roughly 250 to 280 jurors per day, and coordinating appeals with the Court of Appeals. It operates a library, essential for the work of its judges and used by many lawyers: but just to keep the library current with up-to-date pocket parts requires an increase in operating costs of some ten percent annually. In 1992, the library's hours were reduced, because the hiring freeze imposed by the District left one librarian alone to manage the entire service.

The Courts' duty to serve members of all communities of the District bears special mention. To play their role in the government and community, the Courts must be accessible not just to those for whom English is a first and only language, but to those for whom English is a second language, or no more than the foreign language of their new country. The Courts require funding sufficient to allow them to be as accessible as reasonably possible to all of these residents.

Prompted by the Mt. Pleasant riots in May 1991, the Courts' face toward the Latino community in particular has been examined in several recent detailed reports: by the American Civil Liberties Union and the law firm of Hogan & Hartson for the Latino Civil Rights Task Force; by the Latino Civil Rights Task Force itself; and by the Courts' Task Force on Racial and Ethnic Bias. It is also expected to be reviewed in a forthcoming report of the United States Commission on Civil Rights.

These reports, testimony given in connection with these reports, and our own informal survey suggest that there are inadequate resources devoted to making services available to the Latino and other ethnic communities, and that services that once were adequate have been cut back in the face of budgetary pressures.

For example, the Superior Court now employs one person for interpreting Spanish and for running the Office of Interpreter Coordinators. Most of the interpreting work at the Court is done by independent contractors. There are regularly 15 to 17 requests a day for an interpreter, mostly for Spanish language interpretation. There are few bilingual employees on the Court's staff, such as in the Landlord-Tenant Branch and in the Family and Social Services Divisions, where they would be particularly useful.

After 5:30 and on Saturdays and Sundays, the interpreter's office is closed. During those times, no one is regularly available at the courthouse to interpret for non-English speakers brought to lockup and awaiting arraignment; contract interpreters must be contacted and brought in on a case-by-case basis. In January 1992, the Public Defender Service reported to the United States Commission on Civil Rights:

> On Saturdays and on weekdays after 5:30 p.m. (arraignment court often runs as late as 8:00 p.m.), no court interpreter is available and the Court tries to get anybody around in the courtroom who speaks Spanish to interpret. The misfortune of being arrested on the wrong day of the week can result in a harsh penalty for Latinos. If a monolingual Latino happens

> to be arrested on Friday night or Saturday morning, he is more likely to be detained just because of the day he was arrested and the inability to speak English.

Since the spring of 1992, when the Court cut back the availability of interpreters, a litigant must establish that he or she is appearing in forma pauperis in civil cases in order to obtain free interpretation services at the Court. Often, however, no one is readily available to interpret for a litigant who wishes to make the requisite showing. Even when someone is available for this purpose, obtaining permission to proceed in forma pauperis often takes three to four weeks, and requires a motion, an affidavit, a financial statement, and a hearing. Those who cannot make this showing are required to pay $250 per day for an interpreter, with no pro ration allowed -- a charge that is burdensome to many, especially when only a short amount of interpreter's time is required. Anecdotal evidence suggests that attorneys and court employees such as judges, law clerks, interns, clerks, and maintenance people serve as interpreters on an ad hoc basis, especially on short matters.

The Court currently provides one interpreter at trial, but often two interpreters would be preferable, to allow a trial to proceed without the regular and frequent breaks necessitated by this intensive work. Court personnel and litigants alike pay the price of longer trials that result from these breaks.

Estimates of the proportion of the District's population that is Hispanic range from 5.4 percent to over ten percent. As a vital part of the Courts' ability to defuse tension

and to integrate this population into the legal system -- for purposes of criminal law and family law, among other perhaps less pressing needs -- the Court must have the resources to deal with persons who speak only, or mainly, Spanish, and the ability to hire staff interpreters and bilingual employees and to manage them with the greatest possible efficiency.

The Court of Appeals

The Court of Appeals is the District's highest court. Its nine judges hear appeals from final orders and judgments of the Superior Court, and from decisions and orders of the District's administrative agencies. The Court corrects errors made at the trial court level and provides definitive interpretations of the law of the District of Columbia. It reviews and approves new rules proposed by the Superior Court. In addition, it has responsibilities with respect to the 60,000 members of the District of Columbia Bar: it has ultimate responsibility for the admission of attorneys, attorney discipline, and the regulation of the unauthorized practice of law.

The volume of appeals in the D.C. Court of Appeals -- on average, about 1,600 per year -- is routinely greater than that in ten states that have both an intermediate appellate court and a supreme court. Its workload was found by the National Center for State Courts to be "higher by far" than the highest court of any state without an intermediate appellate court. Yet, unlike more than three-fourths of the states, the District of Columbia has no

intermediate court of appeals, despite four independent studies by the D.C. Bar and others calling for the establishment of an intermediate appellate court. All the appellate duties fall on the nine judges and small staff of the District of Columbia Court of Appeals.

With the expanded size and activities of the Superior Court, the demands on the Court of Appeals have also increased and can be expected to remain high. On the criminal side, for example, 65 percent of criminal convictions after trial were appealed in 1991; with a rising number of felony arrests and felony trials, the Court of Appeals can only expect more criminal appeals requiring careful review.

The Court manages a heavy volume of motions. In 1991, approximately 3,900 procedural motions and 1,500 substantive motions were addressed to the Court. These motions are of an increasing complexity that the figures alone do not reflect. They make heavy demands on staff time.

Given these numbers, and the limitations on the size of its judicial roster, it is not surprising that the Court of Appeals has been swamped by a large backlog of undecided cases -- roughly 2,000, at the end of 1991. And, despite management and administrative improvements as well as the productivity of the sitting judges, the overall time between when an appeal is filed and when a decision is issued stood at one year and ten months -- 666 days -- at the end of 1991. This is nearly two-and-a-half times the standard of nine months set by the American Bar Association's Commission on Standards of Judicial Administration.

We are quickly inured to statistics and the cry of "backlog." But one good example of why the District and the Bar need to be actively concerned about a long line of cases and motions awaiting adjudication at the Court of Appeals is found in the review function that the Court plays in monitoring the conduct of lawyers. The backlog and chronic understaffing make it difficult for the Court to act expeditiously on motions relating to attorney misconduct. When the Board has recommended disbarment for fraud, for example, and the recommendation cannot take effect until the Court has reviewed the record and acted on it, it can mean a period of four years from the initial complaint until an attorney is prevented from representing clients. This is dangerous and unfair to the consumer public.

The District of Columbia Bar has already endorsed, in concept, the creation of an intermediate court of appeals. In June 1989, the Board considered the Report and Recommendations of the Special Committee to Study the District of Columbia Court of Appeals, chaired by James Schaller. That Committee recommended the creation of the intermediate court of appeals. Thereafter, the Board forwarded the report to the D.C. Court of Appeals with the Board's endorsement of the concept.

Especially in its current configuration, the Court of Appeals must have adequate funding and staffing in order to function. The Court has relied on judicial vacancies and managerial measures in order to operate within the confines of a reduced budget. It has stopped printing opinions, and now relies on a fileroom clerk to photocopy and distribute opinions, its main

product and its primary means of communication. As noted above, it asked its judges to do without law clerks during one month in 1992, and it has cut access to electronic research tools. Its judges forego continuing education. For lack of funding, it deferred issuing certificates of membership in the Bar -- those that generations of lawyers have hung on their walls as a reflection of professional standing. Its backlog of court records to be microfilmed grew to three years' worth, for lack of funds to purchase a microfilm machine.

The Court of Appeals has also been forced to take steps that may have longer-lasting adverse effects. In order to maintain the highest productivity per individual judge, and to avoid increasing the number of cases in the backlog, the Court rarely hears cases en banc. This means that important questions of District law are not addressed by the full court. It can also mean that issues are side-stepped and conflicts among opinions issued by three-judge divisions remain unresolved, thereby creating uncertainty in the law. The Court has further had to resort to adding summary calendars and expanding its motions practice, resolving more appeals by unpublished memorandum of opinion and judgment, and by order, without statement of a rationale. The addition of summary calendars has meant that oral argument occurs less frequently than in the past.

These measures, while expedient, can erode confidence in the appeals process. Without the resolution of issues and of conflicts between the divisions, the law is uncertain and unclear. Unpublished opinions leave litigants in the position of not

knowing if their issues have been treated in the same manner as in other cases raising similar issues. Without oral argument, the Court has less public visibility and may appear to some to have less accountability. Furthermore, the Court's inability to resolve large numbers of cases in a timely manner, and the resulting delay in the resolution of individual appeals seriously undermines the Judicial branch's capacity to perform its role in the system of checks and balances otherwise found in the structure of our government.

Staffings needs at the Court of Appeals are now paramount. The Clerk's Office is very thinly staffed. The 44 persons who work there are charged with handling over 15,000 filings and applications a year. Criminal Justice Act work is done by one person, who recommends the appointment of counsel in the roughly 95 percent of criminal appeals that require it. The same person is also charged with assisting pro se litigants, and reviewing in forma pauperis petitions. When that person is unavailable, critical work is severely delayed. Similarly, there is only one systems analyst to handle the Clerk's Office computer systems and the systems in judicial chambers.

The Court has formed case management teams that have been effective in sorting cases on appeal and motions, so that they can be handled more expeditiously. These teams monitor appeals and identify cases that are appropriate for disposition by motion, settlement, or summary action. They also review and make recommendations with regard to large numbers of motions and aid the Court in its management of transcripts and records. But this

measure, which by all accounts has been successful, has not been fully funded by the District.

Minor staff increases would also significantly ease the burden and backlog of the Court's Committee on Admissions. Now most often done by motion filed by attorneys from other jurisdictions, the applications for admission are document-intensive and require careful scrutiny. In 1991, the staff handled over 3,000 applications for admission by motion. It fielded almost 4,000 requests for certificates of good standing from current members of the D.C. Bar, among its other responsibilities. Five people currently manage everything relating to attorney admissions to the Bar. Its operations generated almost $1.3 million in revenue to the District in fiscal year 1992.

The seven senior judges have until recently worked largely without access to the assistance of law clerks. Regularly sitting judges each have two law clerks, and, often, an intern, to help with basic legal research and drafting. This is essential to their productivity. The seven senior judges now sitting, with all the experience and potential they have to be valuable assets to the court, are allotted a total of two law clerks.

The Court System

The Court System is headed by the Executive Officer. It includes the Fiscal Office, the Court Reporting Division, and the Social Services Division, and it administers the financial review side of the Criminal Justice Act ("CJA") Program. It is

responsible for managing building operations, security, trial court equipment acquisition, and other administrative matters. The Social Services Division manages the staff of probation officers, and provides supervision and drug and alcohol abuse counseling to adults involved in the court system, through domestic violence prosecutions, for example.

The inadequacy of the budget for CJA attorneys, who for the last nine years have been compensated at the rate of $35 per hour, cannot be denied. The Courts' budget crisis forced CJA attorneys and investigators to wait for late payment during the last three months of the last fiscal year. The Bar has expressed its views on this subject in testimony before the Council in October 1992. It will only say here that the District cannot expect to support its citizens' constitutional right to counsel by paying the attorneys it retains to do the job at this rate. It is simply inadequate to cover a fee and all overhead expenses, as it is meant to.

Security needs have increased at the courthouse. This is an expensive item that is a sine qua non of continued operations in the Courts. The probation office needs more personnel, and bilingual personnel. It requires support commensurate with the increase in the criminal caseload at the Superior Court. In addition, basic maintenance of building facilities and daily house cleaning present continuing problems or the courts as the District government reduces support services to the courts.

Conclusion

The Courts have urgent needs that must be funded if they are to remain fully functional. This report describes some of those needs and the reasons behind them; the Courts' budget request for fiscal year 1994 will address them in much greater detail.

The Task Force urges the Mayor and the Council to respond favorably to the Courts' budget request, with the wisdom brought by an accurate assessment of the Courts' central, irreplaceable role in the welfare of all residents of the District of Columbia.

Distirict of Columbia Court of Appeals--District's Recommendation

Agency Overview

Mission
The mission of the District of Columbia Court of Appeals, the highest court for the District of Columbia, is to review all appeals from all divisions and branches of the Superior Court, as well as from the administrative agencies of the District government.

Agency Description
The Court of Appeals' mission is accomplished by reviewing appeals for legal and factual errors and deciding important questions of District law in performance of its legal responsibilities. The Court is comprised of nine active judges who hear appeals in three-judge panels, which are randomly selected. The Court is also assisted by the part-time service of retired judges who have been commissioned as senior judges. As the highest court, the D.C. Court of Appeals must review all petitions for rehearing and for rehearing en banc. The Chief Judge of the D.C. Court of Appeals serves as Chair of the Joint Committee on Judicial Administration. The work of the court includes:

- Review of all appeals from the Superior Court;
- Review of decisions and orders of District of Columbia administrative agencies;
- Management of admissions and disciplinary matters associated with membership in the District of Columbia Bar; and
- Review and approval of proposed Superior Court Rules which would modify either the Federal Rules of Civil Procedure or the Federal Rules of Criminal Procedure;

Agency Budget Summary
FY 1994: The District's appropriated budget recommendation for FY 1994 is $6,041,000 and 88 full-time equivalent (FTE) positions, no change from the revised FY 1993 and approved FY 1993 budgets.
FY 1993 Revised: The District's revised FY 1993 appropriated budget recommendation is $6,041,000, the same as the approved FY 1993 budget.

Budget Strategy and Impacts
Strategy: Although the Courts have independent status, they remain a part of the District government and are subject to, but not bound by, legislative and executive mandates proposed by the District government. However, the Courts' independent status has historically exempted the Courts from any siginificant budget rescissions. Subsequently, other District agencies have to absorb a greater allocation of the imposed but necessary rescissions.

The severity of the current financial situation of the District warrants the most efficient management possible. It is hoped that the District of Columbia Courts will take advantage of this fiscal crisis and implement the most effective cost-savings strategies. The implementation of such strategies will

Distirict of Columbia Court of Appeals--District's Recommendation

ensure the continuance of the current level of service as well as the absorption of any increased costs within the budget recommendations.

Table I **Agency Staffing and Funding Detail**

Programs	Staffing (FTE Positions)				Funding			
	FY92 Actual	FY93 Budget	FY93 Revised	FY94 Proposed	FY92 Actual	FY93 Budget	FY93 Revised	FY94 Proposed
D.C. Court of Appeals	78.8	88.0	88.0	88.0	5,105,757	6,041,000	6,041,000	6,041,000
Total Agency	78.8	88.0	88.0	88.0	5,105,757	6,041,000	6,041,000	6,041,000
Appropriated Funds	78.8	88.0	88.0	88.0	5,105,757	6,041,000	6,041,000	6,041,000
Federal Funds	0.0	0.0	0.0	0.0	0	0	0	0
Intra-District Funds	0.0	0.0	0.0	0.0	0	0	0	0
Other Funds	0.0	0.0	0.0	0.0	0	0	0	0

Table II **Agency Appropriated Summary by Expenditure Type**

Expenditure Type	Staffing (FTE)				Funding			
	FY 92 Actual	FY 93 Budget	FY 93 Revised	FY 94 Proposed	FY 92 Actual	FY 93 Budget	FY 93 Revised	FY 94 Proposed
Personal Services								
Regular Pay	78.7	85.0	85.0	85.0	3,612,598	4,103,000	4,103,000	4,103,000
Other Pay	0.1	3.0	3.0	3.0	353,857	401,000	401,000	401,000
Additional Gross Pay	0.0	0.0	0.0	0.0	55,225	23,000	23,000	23,000
Fringe Benefits	0.0	0.0	0.0	0.0	396,211	451,000	451,000	451,000
Total Personal Services	78.8	88.0	88.0	88.0	4,417,891	4,978,000	4,978,000	4,978,000
NonPersonal Services								
Supplies					42,993	50,000	50,000	50,000
Energy					0	0	0	0
Communications					47,389	40,000	40,000	40,000
Building Rent					0	0	0	0
Other Services & Charges					417,602	548,000	548,000	548,000
Subsidies & Transfers					0	0	0	0
Equipment					179,881	425,000	425,000	425,000
Total NonPersonal Services					687,865	1,063,000	1,063,000	1,063,000
TOTAL AGENCY	78.8	88.0	88.0	88.0	5,105,756	6,041,000	6,041,000	6,041,000

District of Columbia Court of Appeals--Court's Request

Overview

Mission

As the highest court for the District of Columbia, the District of Columbia Court of Appeals reviews all civil and criminal appeals from final orders and judgments of the trial court, the Superior Court of the District of Columbia. In addition, the Court hears interlocutory appeals from the trial court. The Court also hears appeals from decisions of administrative agencies, boards and commissions of the District government. The Court further reviews a number of special proceedings directly as well as attorney disciplinary proceedings. In all these areas, the Court is also called upon to decide numerous substantive and procedural motions.

As the highest court, the D.C. Court of Appeals must review all petitions for rehearing and for rehearing en banc. The Court also is responsible for the admission of members of the District of Columbia Bar, and has oversight responsibilities with regard to the unauthorized practice of law. The Court also reviews proposed rules for the trial court, promulgates its own rules as well as rules of professional conduct for members of the Bar. In addition, there are a number of responsibilities arising from supervision of the Bar.

In 1992, the D.C. Court of Appeals was confronted with a workload which was greater than the workloads of nine states which had both a state supreme court and an intermediate appellate court. Because of workload demands, and a large caseload, the Court rarely sits en banc, less than ten times a year, and, therefore, the full Court is unable to decide important questions of District law.

The Court is comprised of nine active judges who hear appeals in three judge divisions, which are randomly selected. The Court is also assisted by the part-time service of retired judges who have been commissioned as Senior Judges.

Program Funding Summary

Appropriated Budget Request

Both during and before fiscal year 1992, the District of Columbia Court of Appeals has made strides to improve productivity, reduce processing delays, and to improve court procedures. Such steps have included the initiation and continuing refinement of a state of the art computerized tracking system; development and improvement of a case management plan; the establishment of an additional summary calendar and an additional motions calendar to expedite the resolution of cases presenting factual or limited legal questions; advanced screening of cases to identify cases suitable for summary disposition; improved coordination between the transmission of cases ready for disposition and available judicial time through the advanced calendaring of cases; direct printing of opinions to reduce delay in the release and issuance of opinions; and the amendment of rules to consolidate related cases and reduce continuances. Additionally, the D.C. Court of Appeals acted promptly to enhance the revenues collected through fees by reviewing and modernizing the fees charged for bar certificates, filing of documents, subscriptions and copies of documents and opinions.

District of Columbia Court of Appeals--Court's Request

Despite major improvements and increased efficiency in the processing of cases filed, the backlog of cases (as shown in Table 3) remains in excess of 2,000 appeals in fiscal year 1992. In order to maintain progress which has been made thus far as well as to afford access to the Court in the face of a greatly expanded trial court, and comply with new statutory mandates, the D.C. Court of Appeals seeks $7,065,000. This is an increase over fiscal year 1993 of $1,024,000.

The D.C. Court of Appeals also seeks authorization to establish nine, additional permanent positions. However, in order to limit the budgetary impact of the staffing request, the Court is seeking budget authority to fund only five positions in fiscal year 1994, and to defer any request to fund four positions until fiscal year 1995. Positions where authorization is sought, but where a request for funding is being deferred until fiscal year 1995 are indicated by an asterisk in the item by item justification statement.

Table I **Staffing and Funding Detail**

Programs	Staffing (FTE Positions)				Funding			
	FY92 Actual	FY93 Budget	FY93 Revised	FY94 Proposed	FY92 Actual	FY93 Budget	FY93 Revised	FY94 Proposed
D.C. Court of Appeals	78.8	88.0	88.0	96.0	5,105,757	6,041,000	6,041,000	7,065,000
Total Agency	78.8	88.0	88.0	96.0	5,105,757	6,041,000	6,041,000	7,065,000
Appropriated Funds	78.8	88.0	88.0	96.0	5,105,757	6,041,000	6,041,000	7,065,000
Federal Funds	0.0	0.0	0.0	0.0	0	0	0	0
Intra-District Funds	0.0	0.0	0.0	0.0	0	0	0	0
Other Funds	0.0	0.0	0.0	0.0	0	0	0	0

District of Columbia Court of Appeals--Court's Request

Table V **Appropriated Summary by Expenditure Type**

Expenditure Type	Staffing (FTE)				Funding			
	FY 92 Actual	FY 93 Budget	FY 93 Revised	FY 94 Proposed	FY 92 Actual	FY 93 Budget	FY 93 Revised	FY 94 Proposed
Personal Services								
Regular Pay	78.7	85.0	85.0	93.0	3,612,598	4,103,000	4,103,000	4,420,000
Other Pay	0.1	3.0	3.0	3.0	353,857	401,000	401,000	416,000
Additional Gross Pay	0.0	0.0	0.0	0.0	55,225	23,000	23,000	23,000
Fringe Benefits	0.0	0.0	0.0	0.0	396,211	451,000	451,000	539,000
Total Personal Services	78.8	88.0	88.0	96.0	4,417,891	4,978,000	4,978,000	5,398,000
NonPersonal Services								
Supplies					42,993	50,000	50,000	120,000
Energy					0	0	0	0
Communications					47,389	40,000	40,000	40,000
Building Rent					0	0	0	0
Other Services & Charges					417,602	548,000	548,000	928,000
Subsidies & Transfers					0	0	0	0
Equipment					179,881	425,000	425,000	579,000
Total NonPersonal Services					687,865	1,063,000	1,063,000	1,667,000
TOTAL AGENCY	78.8	88.0	88.0	96.0	5,105,756	6,041,000	6,041,000	7,065,000

Mr. DIXON. Judge Rogers, if you have highlights or comments that you would like to make, we will be pleased to receive them at this time.

D.C. BAR'S REPORT ON COURT FUNDING (SEE PP. 1838–1872)

Judge ROGERS. Serving on the D.C. Bar's Task Force was Comer Coppie, the former D.C. budget director and he is well known to you.

The Bar report was prepared at our request, asking, basically, the constituents of the D.C. Court System to look at our financial situation. It is significant that in that report you will find that the committee examining the courts determined that there was, in fact, no fat in the courts and that the Courts' budget requests were totally justified.

It is also significant that the Bar report addresses the structure of the D.C. Court System, and the fact that Congress has retained in the Home Rule Act its direct review authority over the budget requests for the District of Columbia courts; and, consequently, this has meant that the courts' proposals have been developed as a last offer. It is not a bargain on the table where there is give and take, but rather it is a conscientious effort by the courts to seek funding only for what is needed.

You referred to the fact that the Mayor is requesting funding for the courts at the same level in fiscal year 1994 as in fiscal year 1993. As you know, fiscal year 1993 was the first year in which the Mayor and Council recommended an increase for the courts after several years in which there was no increase, despite the caseload demands on the courts.

SUPPORT FROM COUNCIL CHAIRMAN WILSON

Former Chairman Wilson of the Council was instrumental in supporting additional funding for the courts in fiscal year 1993. In fiscal year 1994, he had proposed to Congress that an additional Federal payment be provided for the courts in the amount of just under $6 million.

EVENTS IMPACTING APPEALS COURT

We would urge this committee to support that request. It is simply to enable the courts to continue functions in fiscal year 1994 at fiscal year 1993 operating levels. There are no new programs; there are no new commitments. The courts are subject not only to what is happening in society but to the actions of the executive and legislative branches in the District of Columbia, including the enactment of many new criminal laws, such as preventive detention, as well as efforts to address domestic violence, which have had an impact on the workload of the courts.

EXPEDITING APPEALS

In addition, the concern about expedition on appeal has resulted in the enactment of a number of statutes whereby the appellate court must expedite consideration of all government appeals, preventive detention appeals, and other types of appeals.

We have tried, with your assistance, Mr. Chairman, to address the basic delay problem in the appellate court. You can see from chart 1 (see p. 1835) the status of the court when Congress created it in 1971: the blue indicating the annual filings; the red indicating the cumulative backlog of cases that the court could not reach; and the green indicating a substantial increase in productivity by the court.

With the help of the committee, in fiscal year 1989, the court received five additional positions so that we could establish a case management system. And what happened was that we were able to go through the pending appeals and get rid of old, stale, nonfunctioning appeals. In fiscal years 1990 and 1991, we were able to dispose of, for the first time, many more appeals than were filed. But, by fiscal year 1992, it was clear that we had weeded out the cases that we could weed out without judicial consideration of substantive matters, and so the backlog is continuing to grow. Despite the type of judicial productivity we have been able to achieve, you can see what is happening to the delay on appeal. It is up to 22 months, which is 2½ times the standards called for by the ABA and that are observed, in fact, by most highest courts in the various States around the country.

CREATION OF INTERMEDIATE APPELLATE COURT

As you know, Mr. Chairman, we have requested that Congress enact legislation to create an intermediate appellate court. The Honorable Eleanor Holmes Norton has introduced legislation, H.R. 1633, which I am told is being marked up by the full House District committee this morning. That would establish a high court of seven judges, and thereby enable the appeals courts to decide cases quickly as well as to decide the important questions of District law and to resolve conflicts which exist in our divisions.

I will be happy to answer any questions.

SERIOUS SITUATION IN COURTS

The committee has been helpful in the past, and I realize these are pressing times. But the situations in the courts are serious. It is important, as you well know, that people continue to have confidence in the courts, that we be able to respond in a reasonable and timely manner to not only the public's demands about public safety but to businessmen and women; private litigants, who have contract, tort, and other claims; landlords and tenants, employees and employers, domestic disputes, child custody cases, adoption cases, as well as the Federal and District of Columbia of governments, which are litigants before our courts and often seek expedited treatment for the very reason that all litigants want their cases resolved promptly.

REQUESTED INCREASES IN BUDGET

Mr. DIXON. For FY 1994 you have requested $7,065,000 and 97 positions which is an increase of $1,024,000 and nine positions above the fiscal year 1993 level.

Judge ROGERS. We are only asking for funding for five positions, Mr. Chairman, in an effort to balance the needs of the court with

fiscal constraints that are facing both the city as well as the Federal Government. The request basically reflects the fact that the District of Columbia Court System, through the 1980s, was growing. The trial court has, basically, doubled in size. But, there has been no adjustment at the appellate level. The last time there was an addition to staff in the appellate court was in fiscal year 1989, when this committee approved five additional positions.

We have done everything we can to make the most and best use of the employees we have, turning, when possible, to computerized equipment as a substitute for adding staff. But, for example, we have three different computer systems running in the Court of Appeals and only one computer programmer; that is a ridiculous situation, it is causing the efficiencies to be compromised, and so we are asking for another computer systems analyst.

We are asking for a staff attorney to assist in the high volume of motions that we have. Many attorneys, because of delay on appeal, are trying to circumvent some of that delay by seeking to have the court resolve their claims on expedited motions for summary affirmance or reversal. Therefore, the nature of the issues being raised by motion is tantamount to the case itself. When the District government came before the court on the furlough issue, it came in the form of a motion. That workload does not appear in the statistics showing the number of appeals under a motion. So, we are asking for another staff attorney in that area.

We are asking for a clerk to assist us simply with the simple tasks of preserving our records. Everything is on paper, and we have over three years of records stacked up, which are at risk. We are trying to microfilm them, and that simply takes staff.

The other money request is for the purchase of equipment to get the microfiche machines to provide a copier for the public which comes into the clerk's office and wishes copies to be made; instead of us having our staff do it, we would have a machine where the public could pay for copies.

We have a number of pro se litigants in the court. They are people who often had counsel in the trial court but by the time they get to the appellate court they are without counsel. It takes a lot of time of our clerk's office staff in trying to assist people to perfect and pursue their cases on appeal. So we are asking for somebody to assist us with our pro se litigants. We asked for grant funding from the State Justice Institute, and they did not fund that. So we have explored other opportunities to provide money.

And I would emphasize, Mr. Chairman, that the Court of Appeals functions only with appropriated money. We have no grant money. We have no Federal reimbursement. So if we do not get it from you, we do not get it.

INTRODUCTION OF NEW COMMITTEE MEMBERS

Mr. DIXON. Justice Rogers, we have two new Members to this committee here with us this morning, Mr. Durbin, and Mr. Bonilla. And I would point out to them that the Court System has the right under the Home Rule charter to present or send to the Congress their own recommendation for funding as well as the Mayor and Council's recommendation. And the two recommendations are a million dollars off, roughly. My notes indicate that this would fund

an additional nine positions, and I believe you said that it would be an additional five positions.

Judge ROGERS. The request is for authorization for nine, funding for five.

Mr. DIXON. OK.

Mr. Bonilla.

COST OF INTERMEDIATE COURT

Mr. BONILLA. Thank you, Mr. Chairman. Just a couple of questions.

On page 5 of your testimony and also in your oral testimony, you mentioned the intermediate Appellate Court bill, H.R. 1633.

How much do you project that will cost when and if it is implemented?

Judge ROGERS. Approximately $4 million in annual operating costs. That would be for the judges and their staff. There would be a single clerk's office to cut down on the costs associated with an intermediate court.

EFFECTIVE DATE OF NEW COURT

Mr. BONILLA. And presuming that it would be implemented, how soon could the new court get started?

How long does it take to set up a system like that, not being an attorney or a Judge myself?

Judge ROGERS. In other jurisdictions it has been done quickly. And this legislation has a provision in it that says that the legislation would take effect in six months.

Mr. BONILLA. That quickly?

Judge ROGERS. Yes. The problem is simply to set up the procedures in the clerk's office. And we are not doing anything new by setting up an intermediate court. Thirty-nine states have done this. There are plenty of models to follow.

Four independent studies suggest to us that this should be done. So we are not reinventing the wheel. We would be modeling our procedures on what has already been done elsewhere.

So in that sense we would hope to move quickly.

ANNUAL BUDGET OF NEW COURT

Mr. BONILLA. And are you budgeting for the four million dollars to pay for this annually?

Is that something new that we would have to look at if and when it is implemented?

Judge ROGERS. If I may give two answers to that.

One, in fiscal year 1989 we came to this Committee with a funding request for the intermediate appellate court. At the time legislation was pending before the substantive committee. That legislation passed the House but did not pass the Senate. It was suggested that it would be better to proceed on two different lines: one, whether or not it would be possible as part of the authorizing legislation to have that legislation indicate an approval of the level of Federal assistance in the transition period; and that is currently in the legislation; two, we would still have to come to this committee through the appropriations process to get approval to spend money

for the court. Indeed, were the legislation to be passed after this committee has acted on the fiscal year 1994 budget, then one of the things I would want to explore with this committee, as well as with the Mayor and the Chairman of the Council, as well as Congresswoman Norton, is how we could proceed under those circumstances.

REPORT ON INTERMEDIATE APPELLATE COURT

I have a report I will be happy to make a part of the record to respond to some of your questions.

[The report referred to follows:]

THE PROPOSAL FOR AN INTERMEDIATE APPELLATE COURT

some facts and figures

June 1993

C O N T E N T S

Tab 1 Overview

Tab 2 Need

Tab 3 Workload

Tab 4 Delay

Tab 5 Proposals

Tab 6 State Courts

DISTRICT OF COLUMBIA COURT OF APPEALS

- filings greater than that of nine (9) states which have both an intermediate appellate court and a supreme court
- filings greater than that of eleven (11) states which have a single appellate court
- appeals more than tripled between 1976 and 1986
- delay on appeal is nearly two and one half times the American Bar Association standards of 280 days
- trial court has increased from 44 judges to 59 judges 1 hearing commissioner to 15 hearing commissioners
- backlog in excess of 2,000 appeals
- annual filings of 1,600 new appeals
- over 3,500 procedural motions annually
- over 1,500 substantive motions annually
- other responsibilities of the District's highest court:

    admission of attorneys to the D.C. Bar

    unauthorized practice of law

    promulgation of rules on professional conduct of attorneys

    review of proposed rules of the trial court

    oversight of the D.C. Bar

SOME RESPONSES

Why an intermediate appellate court is needed

An intermediate appellate court is needed for:

(1) faster processing of appeals,
(2) reducing appellate backlog, and
(3) facilitating law-stating function of the highest court

(1) Delay. The average delay on appeal has risen from 15.5 months in 1979 to 22 months in 1991. The American Bar Association Standard is 280 days. Appeals in the District of Columbia court more than tripled between 1976 and 1986. Case management improvements assure appeals are ready for judicial decision in a timely manner, but do not solve the fundamental problems of congestion and delay on appeal. Delay remains at 22 months despite a record disposition rate in 1991.

(2) Backlog. In addition to the new filings every year, the outstanding appellate backlog hovers around 2,000 cases. A 1988 study by the Bar Association of the District of Columbia concluded it would take 14 years for the current court to address the backlog. Based on this analysis, even at the heightened level of productivity in 1991, it would take the current court ten years to dispose of the backlog.

(3) Important questions of District law. To reduce delay and to keep the backlog from growing, the present court is unable regularly to decide important questions of District law sitting en banc. In the last three years the full court sat en banc only 19 times. Consequently, the law-stating function of the District's highest court is relegated to three-judge divisions. Issues are left unresolved. Divisional conflicts remain.

Why the current appellate structure produces delay

1. The workload of the D.C. Court of Appeals is:

A. "higher by far" than that of any highest court in a state which did not have an intermediate appellate court. This was the finding of the National Center for State Courts in 1986. It remains true today.

B. greater than the combined appellate workload in nine states which have both an intermediate appellate court and a supreme court.

2. More trial judges.

"One clear conclusion is that more trial judges lead to more appeals." *See* Thomas B. Marvell, "Is There An Appeal from the Caseload Deluge?" The Judges' Journal Vol. 24, No. 3 (Summer 1985) at pages 34, 53.

The number of judicial officers in the trial court has almost doubled as of 1991. Congress has increased the number of judicial officers in the D.C. Superior Court from 44 judges and 1 hearing commissioner to 59 judges and 15 hearing commissioners.

3. Complex issues; new laws.

Despite a summary calendar and expanded motions practice to dispose of non-complex appeals, there remain many complex and difficult issues that require considerable judicial time for resolution. Mere numbers can understate the workload.[1]

The enactment of laws, both at a local and national level, as well as the stiffer criminal penalties and preventive detention amendments recently enacted by the D.C. Council, will produce appeals, and some will require expedited consideration on appeal.

4. Expedited appeals.

Expedited appeals result in delay of other appeals, and are themselves delayed, where all cases must be decided by a single court.

Statutes require expedition of pretrial government appeals, pretrial bail appeals, and pretrial detention appeals. Statutes also require expedition of certified questions of law from the trial court, utility commission appeals, interlocutory and small claims applications for allowance of an appeal, interlocutory juvenile appeals, and extradition appeals.

Other appeals are expedited as a matter of court policy, and from time to time, expedition is granted on motion of the parties or on the court's own motion.

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[1] This is noted in a discussion of the complexity and difficulty of appellate issues by Paul D. Carrington (University of Michigan), Daniel J. Meador (University of Virginia) & Maurice Rosenberg (Columbia University) in Justice on Appeal (St. Paul, Minn. 1976) at page 6. The authors are law professors, two of whom have served in the U.S. Department of Justice.

5. Dual functions in an overburdened court.

With a continuing backlog of approximately 2,000 appeals over and above the annual filings of new appeals, the current court has endeavored to decide as many appeals as quickly as possible. This emphasis on "review for correctness" necessarily inhibits the "institutional review" function of the appellate court.[2] It also inhibits en banc review of important questions of District law.

Historically, in the mid-1960s appeals began to increase greatly. *See* Marvell in The Judges Journal, cited above, at pages 35-36. "These trends are reflected in structural changes in the appellate court system during the past century." *Id.* at 36. Thirty-nine (39) states now have intermediate appellate courts.

An intermediate appellate court generally relieves the highest court of the heavy caseload burden so that the highest court (a) can concentrate on deciding important questions of law sitting en banc, (b) do so in a timely manner, and (c) thereby provide guidance for litigants, the trial court, and the administrative agencies.

Adding judges to a single appellate court will not solve the fundamental problems of delay and congestion. This is clear from experience here (through use of senior judges) and elsewhere.

Management improvements cannot resolve fundamental congestion and delay on appeal.[3] For example, in 1991 the Case Management Plan and advanced calendaring system demonstrated that appeals could be promptly ready for decision. Former delays in transcript preparation and record preparation had been resolved. But case management advanced calendaring had to be discontinued in order to avoid having briefs become stale by the time the appeal was submitted for decision.

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[2] According to Justice on Appeal, "review for correctness" involves examination of trial court and administrative agency decisions "to assure they are correct or at least within the range of error the law for sufficient reasons allows the primary decision maker," while "institutional" review focuses on announcing, clarifying, and harmonizing the rules of decision. Justice on Appeal at pages 2-3.

[3] *See* Justice on Appeal at page 41 (discussing the limits of efficiency).

Why an intermediate appellate court is important in fighting crime

1. Faster processing of appeals.

The United States Attorney General in a Report of July 28, 1992, outlining 24 recommendations to strengthen state court systems response to violent crime, states: "Justice delayed is justice denied -- for society, for the victims of crime, and for the accused." *See* 51 CRIMINAL LAW REPORTER 2315 ff (August 12, 1992).[4]

The D.C. Bar originally recommended an intermediate appellate court in 1979 when the average delay on appeal was 15.5 months. Despite record productivity in 1991, that delay is now 22 months.

In addition, decisions in cases presenting important questions of District law are further delayed if the en banc court decides that further review of a decision of a 3-judge division is required.

2. Avoidance of prosecutorial problems.

Without prompt resolution of criminal appeals,

(a) the prosecutor faces the prospect of not being able to reconstitute the government's case if a new trial or additional proceedings in the trial court are required after an appeal;

(b) there is delay in the final resolution of collateral attacks on convictions;

(c) "[t]he constant relitigation of criminal convictions saps judicial and prosecutorial resources, while diminishing the deterrent and retributive effect of punishment." Report of the U.S. Attorney General, July 28, 1992, *supra*, 51 CR.L. at 2326. It also "reopens the wounds of victims and survivors." *Id.*

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[4] Much the same point is made in Justice on Appeal at page 57. The authors state that "from standpoint of both the accused and the public, it is desirable to have the issue of guilt resolved promptly and with reasonable assurance that the issue is settled."

3. Stability and certainty in the law.[5]

Because criminal appeals are to be affirmed where the error is harmless beyond a reasonable doubt, the court can assume the existence of error that is harmless beyond a reasonable doubt without deciding whether there was actual error in the trial proceedings. The effect is:

(a) to leave litigants and the trial court without guidance,
(b) to sow potential error in future trials, and
(c) to invite relitigation of unresolved issues.

The inability of the District's highest court to decide important questions of law sitting en banc was one of the reasons that the D.C. Bar and the National Center for State Courts (Williamsburg, Virginia) recommended that an intermediate appellate court be established. The District's highest court sat en banc in criminal cases only nine (9) times in the last three (3) years. Yet the statutes and procedural rules of the District of Columbia are comparable to those of a state.

Why an intermediate court is important to the justice system

1. Assure participation in the judicial system.[6]

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[5] The authors of Justice on Appeal state at page 58 that:

> Appeals are an important part of the solemn process and symbolism that are vital to the legitimacy of criminal law enforcement. * * * They provide visible assurance to the accused and to society that the criminal law is being administered fairly and lawfully.

[6] In suggesting ideas for improving the quality of justice in appellate courts in this country, after review of the extensive literature on the issue, the authors of Justice on Appeal state in their introduction (at page v):

> Appellate justice is a subject which tends to excite little public concern. With sporadic exceptions, appellate courts and their proceedings have very little visibility in the news media. Few citizens or political groups think that they have much stake in the quality of appellate justice. But, as is often the case, what is no one's special concern is everyone's problem: the quality of appellate justice is important to all. Pervasively so. In the broader view, appellate justice can be the last best effort of our government and our law to gain the respect and

Congress has acted to assure access to the District of Columbia courts by creating a state-type court system in 1970, and by increasing the number of judicial officers and staff in the trial court in 1986 and 1990. Thus, Congress has acknowledged the importance of assuring that the opportunity to come into the trial court is not foreclosed to litigants who cannot wait years for resolution of a dispute. This includes the government, both as criminal prosecutor and civil litigant. Congress must assure access to the appellate process as well.[7]

2. Reduce delay and increase stability.

Experience in other jurisdictions with intermediate appellate courts indicates that more cases can be decided more quickly. In such an appellate system, the dual roles -- error review and law-stating -- can both be performed in a just and more timely manner.

A by-pass procedure avoids delay that would otherwise result if every appeal had to await decision by the intermediate court. The clerk's office can immediately direct to the highest court the appeals presenting important questions that the highest court will want to decide.

3. Avoid displacement of civil appeals.

The high volume of criminal appeals results in the displacement of civil matters.

Thus, appeals involving commercial businesses (e,g., banks, newspapers, etc.) real estate developers, hospitals, doctors, other professionals as well as (public and private) employers and employees are delayed. Tort litigation involving injured citizens is delayed. So too, domestic relations cases (e.g., divorce) are delayed. Landlord and tenant disputes are delayed.

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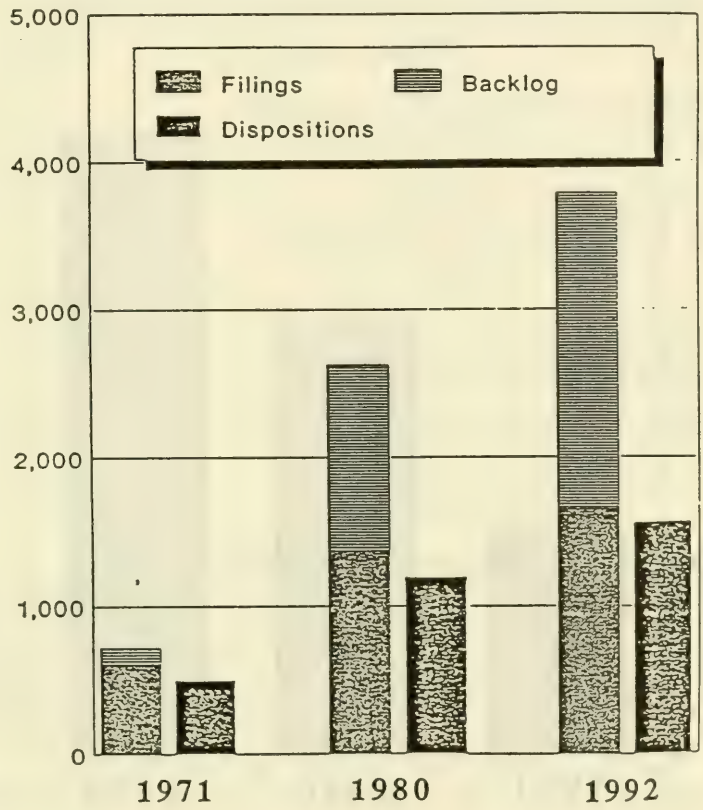
acceptance of the people. Appellate justice should be a model for the government's dealings with citizens. Appellate courts are the most dignified and receptive authorities to which individuals can turn to express their legal dissatisfaction in a pointed way, with assurance of a direct response. If these courts do not deal justly with litigants, we cannot expect agencies or bureaucracies of less sensitivity to legal rights to do so. It is therefore important that justice on appeal be visible to all.

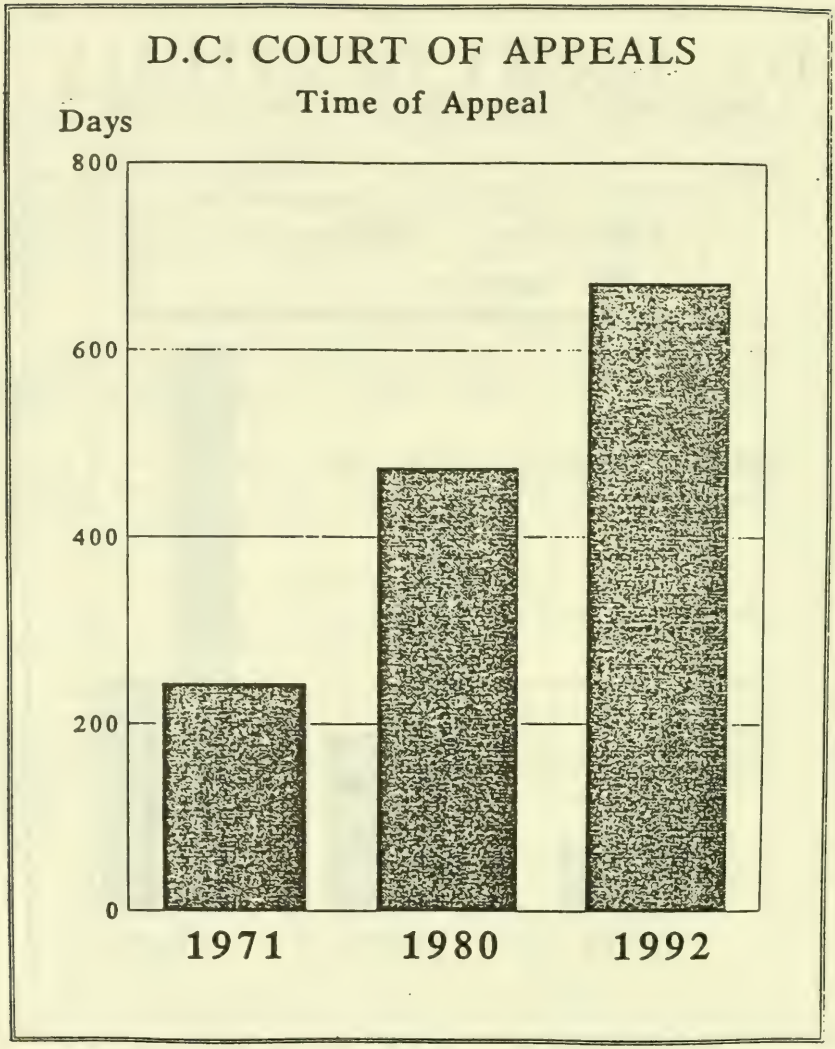
[7] In Justice on Appeal the authors state at page 12:

It is the responsibility of the legislature and others overseeing our judicial institutions to maintain them in a manner which will reinforce the best professional instincts of the judges and dissuade them from an easy lapse into practices which discard the imperatives and impair the functions of appellate justice.

D.C. COURT OF APPEALS

Backlogs, Dispositions and Filings




D.C. COURT OF APPEALS
Time of Appeal
Days
800
600
400
200
0
1971
1980
1992

FACT SHEET

The Proposal: To establish an intermediate court of appeals in the District of Columbia to alleviate the problems of delay and congestion in the D.C. Court of Appeals.

Specifics:
- 7 judge highest court, sitting en banc
- 9 judge intermediate court, sitting in 3 judge panels
- single clerk for the appellate courts to to minimize delay by routing cases which highest court will want to hear directly to highest court
- appellate procedure:
  appeals of right to intermediate court
  discretionary appeals to highest court
  appeals from highest court to U.S. Supreme Court
  cases involving jurisprudential questions would be heard initially by the highest court, thereby eliminating unnecessary delay
- no change in judicial selection procedure
  Presidential appointment subject to Senate confirmation; nominees submitted to President by D.C. Nominating Commission; judges serve 15-year terms

Rationale: Thirty-nine (39) states have established intermediate appellate courts. Experience in other jurisdictions has demonstrated that establishment of an intermediate appellate court enables the dual appellate functions to be effectively performed. The intermediate court reviews cases alleging trial court error. The highest court decides appeals involving new and difficult questions of law. The appellate court system is thereby able to dispose of more cases more quickly without sacrificing its jurisprudential role.

The American Bar Association Standards for Court Organization recommend establishment of an intermediate appellate court when delay and congestion prevent effective performance of the dual roles of the appellate system.

The D.C. Court of Appeals, consisting of nine judges, who sit in panels of three, rarely sits en banc to fulfill its jurisprudential function because of caseload pressures. During

its 18 year existence, the Court of Appeals has heard more summary cases and a decreasing number of regular cases in an effort to keep the backlog of cases on appeal from growing larger. Despite increased judicial productivity and management improvements, there is a backlog of over 2000 cases and the average time for a case to be heard on appeal is 22 months, nearly three times the ABA standard of 280 days. See attached charts.

Background:

A. Four independent studies recommend the establishment of an intermediate appellate court:

1979 - D.C. Bar committee recommends establishment of intermediate appellate court (Douglas Committee)

1986 - National Center for State Courts recommends establishment of intermediate appellate court, noting that caseload of D.C. Court of Appeals is "higher by far" than any highest state court without an intermediate appellate court

1987 - Bar Association of D.C. joins the recomendation (Rhyne Committee)

1989 - D.C. Bar Board of Governors recommends establishment of intermediate appellate court (Schaller Committee).

B. Statistics:

From 1976 to 1986 appeals to the D.C. Court of Appeals increased by 34 percent.

As of December 1, 1992, the backlog of cases pending on appeal was 2,060 cases.

Delay on appeal is over 22 months. ABA Standards call for resolution of appeals within 280 days (9 months).

The court annually disposes of approximately 1,500 cases while close to 1,650 appeals are filed. In addition, 4,920 motions were filed in 1992, of which 1,438 were substantive motions. Judicial productivity has increased (i.e., judges are disposing of more cases than previously).

When the D.C. Court of Appeals was established in 1970,

its predecessor heard under 400 appeals annually.

The trial court has nearly doubled in the number of judicial officers since it was established in 1970:

- in 1971: 44 judges in trial court
  1 hearing commissioner

- since 1986: 7 additional trial judges
  (total 51)
  14 additional hearing commissioners.
  supporting staff increases

- in 1990: 8 additional judges, for a total of 59 trial judges and 15 hearing commissioners

  1,000 additional police officers and additional prosecutors were authorized

- in 1992: 72.7 percent of criminal convictions are appealed

No comparable increases have occurred in the appellate court; it has always had nine judges and a small Clerk's office.

State court statistics demonstrate that when an intermediate appellate court exists, more cases are decided in less time.

The caseload of the D.C. Court of Appeals is larger than that of any highest state court where there is not an intermediate appellate court.

Alternatives will not solve the problems of delay and congestion on appeal. They have already been tried and found insufficient to the task.

1. adding judges: retired judges assist the court, yet congestion and delay persist notwithstanding management improvements. Judges still must read briefs and records and decide cases and keep abreast of decisions being rendered by the court. The experience of other jurisdictions indicates that adding judges to the highest court does not solve the fundamental problems of delay and congestion on appeal.

2. new procedures: court rules were amended to

provide for a docketing system to dismiss frivolous appeals

3. case screening:
   a. cases are screened for disposition without full briefing

   b. parties can request settlement conferences

4. use of central staff:
   a. court law clerks assist the court in disposing of motions

   b. a case management team with 3 staff attorneys assists in disposing of non-complex cases

5. expanded use of computers:
   a. docketing and other central clerk's office matters are assisted by a computer

   b. word processors are in all chambers and the Clerk's Office

6. decreasing time for record preparation:
   a. court reporter rules have been revised to effect prompt preparation of transcripts

   b. record on appeal: staff has been added to Appeals Coordinator's Office in the trial court to expedite transmission of records to the appeals court

FACT SHEET

Adding Judges Will Not Solve Delay and Congestion Problems on Appeal

Appellate judges function in groups while trial judges work as individuals. For this reason, adding judges to appellate courts always requires balancing of more limited benefits against the clear problems which will result from any increase in the judicial complement.

"Appellate judges do not function autonomously, but are expected to act in unitary collegia, and to serve as coordinators and harmonizers. Therein lies the problem." P. Carrington, D. Meador, & M. Rosenberg, Justice on Appeal 141 (1976). "... as expansion increases, the system tends to be less effective and tends to require increasingly significant internal adjustments which affect the process." Id.

A recent study reports that the addition of judges to the highest state court in states without intermediate appellate courts produces less than a commensurate increase in output. "This result makes intuitive sense: the need for all judges to participate in important decisions at the top level poses greater problems than found in other courts." T. Marvell & C. Moody, The Effectiveness of Measures to Increase Appellate Court Efficiency and Decision Output, 21 U. of Mich. J. of Law Reform 415, 434 (1988).[1]

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[1] Several states, in fact, have added judges to their highest court in an effort to try this intermediate step prior to creating an intermediate appellate court. In each instance, it ultimately became necessary to establish the new court:

Minnesota: Supreme Court increased from 7 to 9 judges in 1973. The intermediate court was authorized by amendment in 1982 and began operations in 1983.

Texas: Judges were added to the Court of Criminal Appeals, raising the membership from 3 to 9 between 1970 and 1981, when the jurisdiction of the existing civil intermediate appellate court was expanded to include criminal appeals. Commissioners were also used prior to the jurisdictional change.

Kentucky: Commissioners were added to the highest court, the Supreme Court, raising its working (but not voting) membership from 7 to 11. In 1985, an intermediate appellate court was established with 14 members, and the Supreme Court returned to a 7-judge membership.

Other problems have been identified: "... the more judges on a court, the more 'managerial' or administrative problems. For example, a three-judge appellate court usually sits only en banc, while a seven-judge court might sit in panels that then must be set up and coordinated. Adding judges produces the problem of integrating new members of a court and raises the possibility of internal doctrinal conflict or inconsistency. When additions to the court are temporary, there is less opportunity for the new members to learn the norms and thought processes operative in the court, even if the new judges are conscientious in their efforts to absorb the court's ways of deciding its cases. As the size of a court increases, the use of and number of panels increases. This leads to increased problems of consistency of decision making among the panels. And large numbers of judges on a court makes convening of en banc courts difficult in terms of both the mechanics of convening the judges and the conduct of oral argument and conference. Finally, in those courts in which all opinions are circulated among all judges, increasing the number of judges operates to increase the time required to produce each opinion." S. Wasby, T. Marvell & A. Aikman, Volume and Delay in State Appellate Courts: Problems and Responses 43-44 (1979).

In summary, the problems arising from adding judges to highest appellate courts are as follows:

1. Loss in collegiality resulting from increase in judges who must function as groups
2. Increase in separate occasions when each judge must contact each other judge
3. Scheduling and coordinating complications, especially for conferences
4. Consistency of decisions
5. Unwieldiness of en banc procedure: U.S. appeals courts have en banc by fewer than all judges but this cannot happen in a highest state court
6. Delay caused by need for all judges to review decisions

Kansas: Non-voting commissioners had been added to the Supreme Court, raising its complement to 9. When the intermediate appellate court was created, the Supreme Court reduced its membership to 7.

Total Appellate Court filings
State Court Caseload Statistics: Annual Report 1990,
National Center for State Courts

The District of Columbia has a higher number of filings, 1,695, than nine states with both a supreme court and an intermediate appellate court:

1)	North Dakota	442
2)	Idaho	641
3)	Hawaii	667
4)	South Carolina	1,033
5)	Alaska	1,068
6)	Utah	1,243
7)	New Mexico	1,554
8)	Arkansas	1,578
9)	Connecticut	1,693

The District of Columbia also has a higher number of filings than eleven states without an intermediate appellate court:

1)	Wyoming	314
2)	South Dakota	452
3)	Delaware	484
4)	Maine	622
5)	Vermont	622
6)	New Hampshire	627
7)	Montana	633
8)	Rhode Island	642
9)	Mississippi	1,025
10)	Nevada	1,089
11)	West Virginia	1,623

COMPARISON OF D.C. COURTS WITH OTHER COURT SYSTEMS

Mr. BONILLA. Since I am a new Member of the Committee, could you tell me how you feel the District's court system works relative to cities of comparable size?

Judge ROGERS. Certainly. The District of Columbia is a jurisdiction which has State as well as county as well as city responsibilities. So to call us a city is not technically accurate in terms of what the courts have to deal with.

In 1971, Congress, recognizing that, established a state-type Court System for the District of Columbia. We have a single trial court that has jurisdiction over any type of case a litigant would want to bring into the trial court: civil or criminal, probate, tax, landlord and tenant, small claims, family and domestic proceedings.

In addition, we have a single appellate court. All appeals from the trial courts come to the appellate court as do all appeals from the District of Columbia agencies, which include the state-type of agencies.

For example, in your own State, it would involve appeals from the public utility commission, the insurance commission, the highway, transportation, and corrections departments, licensing major cases. The appeals would come directly from the agency to the appellate court.

When you look at the statistics, our caseload in the appellate court now is greater than that in seven states which have both a state supreme court and an intermediate appellate court.

In addition, our caseload is higher by far than any highest court in a State where that State does not have an intermediate appellate court.

The litigation in the District is very intense. The District is a small geographic area, but it is a big litigation area. Therefore, the comparisons that we have done have not been with cities but rather with States.

In your own jurisdiction, for example, you have a split in terms of how appeals are handled through the civil side and through the criminal side. They all come into one appellate court in this jurisdiction. So we have one trial court, one appellate court. The problem we are facing is that there is too much coming into the system for the nine active judges on the current appellate court to handle.

States that have looked at this problem, as well as the academicians and practitioners, have determined that the way to resolve the problem of delay and congestion on appeal is to have a high court that can decide the important questions and resolve conflicts, and to have an intermediate court so litigants get their cases involving claims of error decided quickly.

Mr. BONILLA. So in some ways you are like a State operating on a city budget?

Is that kind of a way to look at it?

Judge ROGERS. I think that is a nice way to put it, Congressman.

Mr. BONILLA. Thank you, Judge.

Thank you, Mr. Chairman.

Mr. DIXON. Mr. Durbin?

Mr. DURBIN. Thank you.

DISPOSITION OF BACKLOGGED CASES

I am new to the subcommittee, as the Chairman mentioned. I noticed that the D.C. Bar Association, in January, reported that the Court of Appeals had a backlog of 2,000 cases awaiting consideration on appeal and that the average appeal took 1 year and 10 months to dispose of.

Has that changed in the ensuing six months?

Judge ROGERS. No. Chart 1 (see page 1835) provides the committee with a picture of what has happened to the appellate system in the District of Columbia since Congress first created the Court System in 1971. And you can see (referring to Chart No. 2 (see page 1836)) the blue is the number of new filings. The red is the backlog that has accumulated over the years. And the green is the number of cases that the court has been able to dispose of.

As you can see, operating with the same number of judges, we have done a number of things to improve our productivity. But we have not been able to conquer the ultimate problem of deciding a lot of cases quickly while also deciding important questions of law. Hence, delay on appeal, as you will see on chart 3 (see p. 1837). Originally at a fairly tolerable level of slightly over 200 days, is now up to 22 months, almost two years. That is a basic problem if you are a litigant in the D.C. Court System.

Mr. DURBIN. And your suggestion for dealing with the backlog is to create a new court?

ROLE OF INTERMEDIATE COURT

Judge ROGERS. An intermediate court would provide a place where everyone could go to get their case resolved quickly. Its existence would free up the time of the highest court to decide important questions of D.C. law. This would not create another layer of appeal, but it would enable the biggest questions to go to the highest court immediately, rather than going to our court. Of course, even then, if a party decides that an important issue is presented, a petition for rehearing by the highest court could be filed.

Our court has been so concerned about delay on appeal that we have focused on trying to decide as many cases as quickly as possible. Therefore, in the last year, for example, we only sat en banc five times. If you compare the types of issues that are coming into our court and what is coming into the highest courts of the States, they are the same. Yet, under the present structure, we are unable to hear those cases as an en banc court.

COMPOSITION OF COURT OF APPEALS

Mr. DURBIN. How many judges sit on the Court of Appeals?

Judge ROGERS. We have nine active judges who sit in 3-judge divisions. We are also assisted by seven retired judges who work part time for us.

COMPARISON OF JUDGES' CASELOADS

Mr. DURBIN. Can you give me any other indication, based on other Federal appellate courts, as to the caseload that is being handled by those judges?

Judge ROGERS. Other Federal appellate courts are intermediate appellate courts because appeals from those courts are appealed to the United States Supreme Court.

If you compare our court, for example, with our neighbors, Maryland and Virginia. In Virginia, approximately 200 cases were decided by the Virginia Supreme Court. In the Maryland Court of Appeals, a little over 300 cases were decided. The highest court in California decided 129 cases by published opinion. We decided over 300.

Our court has disposes of approximately 1,700 cases a year: 300 by published opinion, 800 by unpublished memoranda and judgment—where the law is settled and there is nothing new about the case—and the remainder where possible, because of procedural deficiencies, by orders or motions. Our productivity is phenomenal. When I talk to chief justices in other States, they are amazed that we are doing the level of work that we are doing.

REVIEW OF APPEALS COURT DECISIONS

Mr. DURBIN. Are decisions by the D.C. Court of Appeals subject to review by the Supreme Court?

Judge ROGERS. Yes. Only by the Supreme Court of the United States. The Supreme Court of the United States has repeatedly held that, on local questions, questions of D.C. law, it will defer, absent some extraordinary circumstance, to the decision of our court.

The only types of cases where the United States Supreme Court has granted certiorari review have involved Federal constitutional questions—such as a search of an automobile trunk—that the solicitor general decides is the type of case that he wants to appeal because of the Federal issue presented. But those cases are few and far between.

Mr. DURBIN. Thank you, Judge Rogers. I have no further questions, Mr. Chairman.

BUDGET REQUEST OF SUPERIOR COURT (SEE PP. 1922–1932)

Mr. DIXON. Next we will take up the Superior Court.

The Mayor and Council propose a total of $76,040,000 and 1,264 positions for fiscal year 1994, an increase of $2,942,000 above the fiscal year 1993 enacted appropriation level and no change in the number of positions.

Judge Ugast, the Superior Court proposes a total of $78,275,000 and 1,275 positions, an increase of $5,177,000 and 11 positions above the fiscal year 1993 enacted appropriation level and $2,235,000 and 11 positions above the Mayor and Council's recommendation.

And we have with us the Presiding Judge of the Superior Court, Chief Judge Fred B. Ugast.

PREPARED STATEMENT OF CHIEF JUDGE UGAST

Judge, if you have a prepared statement, we would be pleased to receive it for the record.

Judge UGAST. Thank you, Mr. Chairman. I would ask that our statement be made a part of the record.

[Judge Ugast's prepared statement follows:]

STATEMENT OF CHIEF JUDGE FRED B. UGAST
SUPERIOR COURT OF THE DISTRICT OF COLUMBIA
BEFORE THE DISTRICT OF COLUMBIA SUBCOMMITTEE
OF THE HOUSE OF REPRESENTATIVES COMMITTEE ON APPROPRIATIONS
JUNE 9, 1993

Mister chairman and members of the subcommittee, I thank you for the opportunity to speak on behalf of the budget request of the Superior Court for Fiscal Year 1994. Let me preface my presentation by expressing the court's deep commitment to providing critical justice services as efficiently and cost effectively as possible in these difficult economic times. To highlight this position, the FY-94 Superior Court budget, which I will address in detail later in my statement, represents a very limited request for additional funds.

I am keenly aware that only the most critical budget needs can be afforded this fiscal year. However, affordability and need are two very different issues. This subcommittee should understand that the court and the criminal justice system have many pressing needs that I could not, in good conscience, present for funding given the District's fiscal situation. It is my hope that the subcommittee understands that the court will be presenting only its most essential funding needs for consideration.

The City Council appreciated this approach and not only supported our entire request of $78,275,000 but, in addition, through their request for a "federal payment for public safety", approved funding of an additional $2,106,000 to cover our requests and an increase in the rate of compensation of attorneys representing indigents. I am gratified by this overwhelming sign of support.

In particular, I appreciate the support of the District's indigent representation programs as recognized by the approvals for Counsel for Child Abuse and Neglect and CJA budget levels. The only change made to our request was that the City Council supported hourly fee increases for these attorneys. This was a change I strongly supported in my testimony before the Judiciary Committee of the City Council as long as the District provided the necessary funds. They have supported such necessary funding increases in their approved budget.

In my statement, I want to summarize the needs of the Court which represent the reasons for the Council's overwhelming support.

COURT'S ASSISTANCE IN RESOLVING FISCAL CRISIS

As I have noted in previous budget presentations, the court has been making an ongoing effort to respond to the fiscal situation facing the district and assist the Council's efforts to bring financial stability to the government. We have used several approaches to assist in these efforts.

1) Developed Innovative Management Programs

First, the Superior Court has pursued new management programs to make its operations serve the public better and provide the best possible service for every dollar appropriated. These programs have included the court's nationally recognized civil delay reduction and alternative dispute resolution programs, new individual calendar systems, improvements in the delivery of the district's child support case services, and the successful acquisition of grant funds to support innovative probation service and felony drug calendaring programs without using any district funds.

These programs assist in moving cases to disposition as efficiently and justly as any jurisdiction in the United States and, thereby, reduce the real costs of litigation to our citizens and allow judicial resources to focus on the most complex litigation. They also assist the district in honoring federal mandates, avoiding expensive penalties, and preventing the use of more expensive district funded services such as incarceration. I note Mayor Kelly's efforts for FY-94 to reduce the cost of the Department of Corrections by encouraging alternatives to incarceration. The Superior Court has been an innovator through many of its grant supported Social Services Division programs in utilizing such less expensive alternatives. I will speak later in my statement about one of these programs in particular.

2) Reduction In Costs - Increases In Revenues

Also, the court recommended changes to reduce its cost of operations and to increase revenues. For example, the recent legislative change in the payment of juror fees resulted in a $700,000 appropriations base reduction during FY-92 and savings to the district government. Also, new court rules became effective March 1, 1992 that updated such user rates as filing fees that produced approximately $1,650,000 in additional revenue during FY-92 for the district. Projections indicate these changes could produce almost $3,000,000 in additional district revenue during FY-93.

3) Return Of Appropriations In FY-90 And FY-91

Finally, due to unique circumstances in judicial vacancy rates, the court accrued enough savings in appropriations to return substantial amounts of funding authority to the district in FY-90 and FY-91. In spite of the need for these appropriations to support technological demands of the court, we returned the funds to help other budgetary problems of the district.

FY-92 PROBLEMS

Unfortunately, the court was unable to assist the district by returning any appropriations during FY-92. In fact, the court faced a crisis during the last fiscal year due to the buildup of mandatory costs that had not been funded for the prior three fiscal years. I announced at the City Council budget hearings last February a number of serious expenditure limitations and service restrictions that were necessary to insure the court met its budget requirements in the face of burgeoning costs.

These included:

1) Maintaining existing early out retirement vacancies until the end of FY-92 in spite of the critical nature of certain positions;
2) Restricting the use of senior judges for most of the latter half of FY-92 which created serious problems in judicial support for criminal and family calendars;
3) Implementing a trial court hiring freeze which forced the court to operate at more than 7% below its authorized strength and affected services to the community;
4) Drastically curtailing purchases of equipment, communications and supplies;
5) Deferring two weeks of payment of services for attorney representation in child abuse and neglect cases and one month of CJA attorney payments in indigent criminal cases; and
6) Suspending jury trials for August, 1992, to accrue essential savings which, while permitting us to cover operations costs, created a serious setback to the progress the court has made on its civil and already pressing criminal calendar problems.

FY-93 RESPONSE

Both the Council and the Congress recognized the seriousness of the FY-92 situation. Funds were provided in FY-93 to support enough of the Superior Court's mandatory cost increases, which had been building for several years without appropriations, to restore the court to reasonable operations. While the court is grateful for this support, I must note that this level of funding only

prevented further curtailments in service by funding past mandatory cost shortfalls.

It did not allow for any growth in mandatory service costs. There has been limited budgetary support for additional positions for the Superior Court for three years. The courts have been forced to seek grant funds for any program development efforts such as our new felony drug calendar initiative, domestic violence case processing system, and our new juror payment system. Even with the additional funds, I still expect the CJA attorney appropriation to be significantly less than expected expenditures which creates the potential for further delays in payments at the end of this fiscal year.

FY-94 REQUEST

In spite of this condition, and in regard for the fiscal crisis facing the district, the FY-94 submission from the court represents only a "continuation of basic and essential services" budget. The Superior Court is requesting a total operating budget of $78,275,000 which reflects a total net increase of $3,435,000 to support mandatory costs, only seven appropriated new positions and four additional authorized positions, and a critically needed upgrade to the court's main computer system.

This total operating budget also includes $1,742,000 to fund a 5% compensation adjustment for the court's non-judicial personnel effective January, 1994, if the district government decides to support pay increases for employees in the next fiscal year. I am sure the subcommittee is sensitive to how important it is to our operations to continue to recruit excellent employees and to insure high morale in our organizations. I am firmly committed to supporting the Council and the Mayor's efforts to insure our employees receive this much deserved pay increase in the next fiscal year.

The City Council has increased this request to $80,381,000 to support an increase in CCAN attorney fees and the purchase of a much needed CPU upgrade to the court's computer system.

1) MANDATORY COSTS

A) Personal Services Costs - $1,743,000

Of the requested increase, 50% is in mandated personal services costs that the court can not avoid and which will have to be absorbed to the detriment of other programs if funding is not provided. These costs include:

- Employee annualizations ($308,000);
- Within grade increases ($497,000);
- Health care and medicare contributions ($673,000); and
- Judicial and senior judge pay adjustments ($265,000).

Of greatest ongoing concern to me in this category of mandatory personnel costs is the ever burgeoning growth in health insurance premiums which the court must fund.

B) Automated Systems Support And PPRC Leases - $634,000

The court's "other than personal services" mandatory costs comprise an additional 35% of the Superior Court's FY-94 request. The court's request in this category comprise only four cost areas.

These are:

- Automated equipment maintenance ($130,000);
- Computer equipment lease/purchases ($313,000);
- Software license fees ($130,000); and
- Field Unit leases ($61,000).

The Superior Court and interrelated agencies such as law enforcement, prosecution, and defense agencies as well as the general public have become increasingly dependent on the court's automated information systems to assist in their operations. I am not certain how the court functioned without computers in the past, but it is certain that it is impossible to comprehend trying to operate without them now. The last year in which the court received an appropriation increase for automated equipment maintenance costs was 1990. It has been seven years, or 1986, since the court received an increase to its appropriation for automated computer equipment lease/purchases. The court has never received funding to support its ongoing costs for software license fees. Field unit lease increases are required to support the expiration of the grant funding for the Probation and Parole Resource Center program which I will discuss later in my statement. Therefore, to assist in normal inflationary growth over these years for the court's critical automated data processing capabilities which provide information services to many district agencies and the public, and to support continuation of easier public community access to Social Services Division services, the court is requesting $634,000 in funding.

Because of the difficult financial times, the court is not requesting any funds for normal inflationary cost increases in such categories as supplies, routine office equipment, furnishings, and other service fees. We have implemented expenditure restrictions in these areas and will leave them in place to try to support the court's needs in this area without requesting additional funds for FY-94. It may become necessary to seek additional support in these areas in future budget years.

C) CCAN Funding - $586,000 and Council Increase of $614,000

However, one additional mandatory cost area cannot be ignored. The Counsel for Child Abuse and Neglect program provides attorney representation for indigent parties and children in this very sensitive caseload. The costs for this representation have risen with the increase in caseload and complexity of the issues being confronted.

From 1989 to 1992, the CCAN indigent representation costs increased by almost 50%, but the court received no additional appropriation to pay for this legislatively mandated program. The Council increased our appropriation in this category to support our FY-92 cost levels. Unfortunately, there has been an explosion in the neglect calendar with filings increasing during 1992 by 62%. This is a tragic fact alone, but it also produces dramatic cost increases to the court to support necessary representation in these cases.

The court has experienced a 13% increase in costs during the first quarter of FY-1993 and expect FY-94 costs, given the level of filings we are experiencing, to increase almost an additional 20%. Therefore, I must request an additional $586,000 to support this legislatively required program during the next fiscal year. Without these additional funds, the court projects an inability to pay for CCAN attorney representation prior to the end of the fiscal year.

The City Council has acknowledged their support for this program by supporting this entire request. In addition, they have agreed to support a $15 increase from $35 to $50 per hour for CCAN and CJA attorneys. Counsel in these cases provide an invaluable service and their rates have not been increased in almost a decade (October, 1983). The federal rate for indigent representation is $75 per hour and the disparity needed to be addressed. The court supports this increase as long as funds are provided. The City Council has supported an increase of $614,000 above the $586,000 requested to pay for the CCAN hourly rate increase. In addition, the court is requesting, through the D.C. Court System budget, an essential increase in funding for the CJA program. The City Council has increased this request to fund the increase in rates for CJA attorneys. Mr. Hammond, the D.C. Courts Executive Officer, will speak to this issue later in our presentations.

2) PERSONNEL REQUESTS - 7 POSITIONS

The court is making a very limited personnel request. The FY-94 submission includes $222,000 for seven appropriated positions. We are also asking for the authority to hire four additional positions without appropriations being provided. Of these requests:

- Four of the positions are for the Social Services Division to support the Probation and Parole Resource Center and the child abuse counseling programs.

  The Probation and Parole Resource Center is a grant-funded inter-agency program operated in conjunction with the D.C. Board of Parole and the Alcohol and Drug Abuse Services Administration. At a time when treatment programs are being reduced, this program offers a last chance for many offenders before the more expensive cost of incarceration is incurred by the district. As a part of this personnel request, we are seeking funding for two current, not additional, positions for this program which represents only 20% of the present grant funded positions that will ultimately have to be supported. This program is the embodiment of the Mayor's recent efforts, through the "Community Corrections Act", to seek less expensive alternatives to incarceration. This request represents a very limited level of support for a highly successful program.

  Also, the court is requesting two social services probation officers to support our present child abuse teams. With a 62% growth in the neglect caseload in one year and a 165% growth since 1987, there has been a critical operational impact on our child abuse counseling program. This program is presently responsible for diagnosing and supervising 420 physically and sexually abused children in the district. The current caseload for probation officers working in this program is twice the national norm.

- The Family Division would receive two positions to address the increased demands placed on the division by the recently enacted Domestic Violence Amendment Act. The largest proportion of domestic violence case activity results from pro se requests for a protection order. This is a time consuming and sensitive process for which the Family Division was not provided staff or funds when the law was enacted. Presently, there are approximately 250 requests per month for pro se civil protection orders which represents a 35% increase since the legislation became effective.

- One position is requested for the Data Processing Division to assist in the court's effort to integrate its domestic violence data base to allow the Criminal and Family Divisions to share information concerning abusers and create a tracking mechanism to allow the judiciary to be aware of domestic abuse histories and protect families. This position will also assist in maintaining normal computer operations for the court.

- Finally, four positions for the Multi-Door Division are requested only for authorization. The court intends to support their funding through vacancy savings. These are not additional position requests. Rather, they would replace temporary positions that the court has been forced to use to insure this nationally recognized program continues its successful operation. I will speak more to the value of this program and our civil delay reduction efforts later in this statement.

The court's personnel request is very limited. I want to emphasize that it does not represent the true staffing needs of the court. Rather, it represents the court's awareness of the difficult fiscal situation and our commitment to continue, in most areas, to do more with less.

3) COMPUTER UPGRADE - COUNCIL APPROVED $1,742,000

The final critical area of the court's budget was a request for $250,000 to maintain the existing technological systems that the court relies upon for daily operations. The funds will be used to upgrade the court's mainframe computer processing unit (cpu).

The existing system is over a decade old. It has only half the speed and one-third the storage capability of most current models and, most seriously, it is operating at a 95% capacity whereas 70% is customary. It has become costly to operate and we are not able to use many of the more sophisticated technical peripheral devices with this particular computer. In addition, since this particular model was purchased, the court has added five times the number of original users to the system and dozens of new applications.

Our system is used by many district agencies including the Metropolitan Police Department, Pretrial Services, the Public Defender's Office, the Office of the Corporation Counsel, the Office of Paternity and Child Support, and the Alcohol and Drug Abuse Services Administration, not to mention the general public. We must upgrade our equipment system to insure court computer operations do not fail in the near future.

The City Council agreed with the seriousness of this problem and supported a $1,742,000 increase to our budget rather than the $250,000 request which would allow the court to purchase the CPU upgrade in FY-94. We appreciate this acknowledgment of our dilemma and request Congress approve the Council's increase to our request.

TRIAL COURT OPERATIONS AND CASELOAD

I believe a brief summary of what is happening at the trial court level demonstrates the need to support the court's very limited budget request.

CRIMINAL DIVISION

Felony indictments have increased by almost 300% in the last 15 years from slightly over 3,000 in 1978 to greater than an average of 8,600 annually filed in the last four years. Pending felony caseloads remain at high levels with almost 3,700 pending cases at the end of 1992. However, there may be some good news. While crimes of violence and drugs continue to plague our community, in 1992, the court experienced a small decrease in the cases filed in these categories. Homicide arrest rates were down with homicide indictment filings decreasing by 50 cases. In addition, drug distribution cases decreased slightly to 50% of the total felony indictment filings.

To handle burgeoning caseloads, the court sought and was granted additional judgeships. In 1978, only ten judges were assigned to criminal felony calendars. With the addition of eight new judgeships, approved in the fall of 1989, but not confirmed and assigned to calendars until October, 1990, the court has increased the number of felony calendars to 21.

Recognizing the problem of violent and serious crime, the court has initiated efforts to insure these cases are swiftly addressed. The court has created two additional felony I calendars to address the almost 100% increase in the homicide and other violent crime cases assigned since 1988. Accelerated felony trials have been expanded from three to four calendars in order to expedite cases involving violent crimes committed with a firearm.

The expansion of the accelerated felony trial calendars is not the only initiative by the court to comply with the ABA's standards for trial disposition. To address the serious increase in drug related crime, the court has recently received grant funds through the State Justice Institute to develop a specialized felony drug case management system. This system will afford earlier dispositions which will permit increased trial time on individual criminal calendars. One developmental calendar has been in operation since late 1992 and it is our ultimate goal to have three master felony drug calendars supported by nine individual trial calendars. The grant program will fund the installation of computers in the twelve felony II criminal courtrooms which will assist in immediate calendaring and docketing of courtroom results.

In spite of these additions, felony caseloads continue to be burdensome. As in previous years, the impact of the efforts of the local law enforcement and the U.S. Attorney's Office to address the drug epidemic and crime rate continues to increase the court's workload.

Two new legislative initiatives in 1992 continue to add even more to the court's criminal workload. The recently passed Domestic Violence Act has significantly added to this growth. The court received 1,416 Domestic Violence Act filings in 1992 and we expect, based on this rate, to receive significantly more cases once every police district completes training on enforcement of the law. The court has received no additional staff or judicial resources to address this caseload increase. Presently, the court is using senior judges to assist with this new caseload. The court has received grant funding to develop a more efficient domestic violence case processing structure and will be initiating an interagency effort in the near future.

In addition, the Bail Reform Amendment Act has presented serious dilemmas for the court in processing our felony caseload. As I advised the committee in December, 1991, we expect an annual increase of approximately 700 pre-trial detention cases just in those matters in which the defendant is charged with a crime of violence committed with a firearm.

Most importantly to the court's administrative processes, it would require the pre-trial detention cases to be tried within 100 days, with an extra 20 days allowed only for good cause shown. This will mean a greater percentage of the court's criminal caseload must be tried faster with no additional judicial or support staff. If we are unable to meet these deadlines, demonstrably dangerous defendants will be released. Without such additional resources, non-pre-trial detention cases are certain to backlog and take longer to adjudicate.

It is not only the most serious criminal cases that are creating a strain on the court's resources. U.S. Misdemeanor filings increased by almost 1,900 cases in 1992. Misdemeanor calendars are averaging over 600 cases in spite of the fact that a manageable calendar should be no more than 350 to 400 cases.

In 1992, drug related crime continued to decline in arrestees who tested positive for drugs. However, drug related crime continues to be a predominant part of the court's caseload.

The following table reflects the drug test results for adult arrestees over the past four years:

	1989	1990	1991	1992
Positive (any drug)	67%	56%	54%	50%
Cocaine	62%	53%	51%	46%

It is imperative that the court, while faced with burgeoning violent cases, employ sophisticated methods to manage all aspects of the justice system.

SOCIAL SERVICES DIVISION

1992 Caseload

The court's Social Services Division continues to experience difficult workloads. In 1992, the Division received 8,239 new adult and almost 1,000 new juvenile supervision cases. At the end of the year, there were 10,508 adults in supervision and 767 juveniles. In addition, the Superior Court has been continuing its innovative programs in finding alternatives to incarceration.

Alternatives To Incarceration Programs

While there has been significant public attention addressed to the Mayor's proposal for a "Community Corrections Act" that would allow greater opportunities for such alternatives, it is important to note the groundbreaking work that is already being accomplished in this area. The Social Services Division is providing more intermediate sanctions programs to assist in reducing the district's cost of incarcerating individuals convicted of crimes by offering monitoring, supervision, treatment, and counseling programs. Such programs include:

- adult home detention;
- adult intensive probation which had 157 new cases assigned in 1992 and at the end of the year had an ongoing caseload of almost 100 adults. This program diverts offenders from incarceration at an approximate cost of $25,000 per year which saved the district almost $4 million in 1992 in incarceration costs;
- high intensity treatment supervision which diverted 230 additional juveniles in 1992 from incarceration and at the end of the year had increased its ongoing caseload by 14% to 174 cases. This alternative program diverts offenders at an approximate juvenile incarceration cost of $40,000 per year which saved the district over $9 million in 1992 in incarceration costs;

- adult and juvenile community services which place offenders in community service work sites;
- family counseling;
- a recently initiated innovative program of video teleconferencing for the purpose of conducting presentence interviews. By creating a video link between the Social Services Division at 409 E street, N.W., and the D.C. Jail and the Lorton, Virginia Correctional Facility, 98% of presentence investigation interviews can be conducted without any probation officer travel or security risks.

Probation and Parole Resource Center

Another unique diversionary program in the Social Services Division is the innovative $1.35 million grant program to establish the interagency Probation and Parole Resource Center. The Social Services Division, in conjunction with the D.C. Board of Parole and the Alcohol and Drug Abuse Services Administration (ADASA) of the D.C. Department of Human Services is now in its second year of operation of this effort. The PPRC program which serves to divert and treat 330 drug offenders per year saves the district incarceration costs and is making significant strides in returning the diverted individuals to productive lives. The court's sole funding for this program has been derived from grant sources which are beginning to lapse. At a time when incarceration alternatives are being considered and treatment programs are being reduced, this effort serves as a last chance for many offenders before more expensive incarceration is incurred by the district.

Given the budget constraints of the past few years, these innovations have been accomplished in part by moving probation officers who are needed for other essential service, including supervision of probationers and pre-sentence investigations. All of these programs are placed at risk by ongoing budget problems and reductions, and I fear that the next rounds of cuts in social services will be in areas which every member of the Council would consider essential.

Child Abuse Counseling

While not a diversionary or alternative to incarceration program, another area of concern in the Social Services Division is the growth in the child abuse caseload. As mentioned earlier, the district is experiencing a problem of record proportions in the increase in abuse and neglect cases. There was a 62% growth in caseload with almost 1,400 abuse and neglect cases filed in 1992. In addition, there has been a 165% growth in this caseload since 1987. This increase is having a serious operational impact in the Social Services Division which currently is responsible for

diagnosing and supervising approximately 420 physically and sexually abused children in the district. The present caseload is almost twice the national norm.

Domestic Violence Intervention Program

The domestic violence intervention program is a new comprehensive effort to address this expanding caseload. Currently, the program is handling 600 cases and includes a 12 week counseling and treatment effort for batterers, sessions on empowering and assisting victims, staff training, and establishing community based treatment with other service organizations.

Community Corrections Intervention Program

The court is part of an interagency effort including pretrial services and the Department of Corrections which is requesting a grant from the Bureau of Justice Assistance to create a "Community Corrections Intervention Program" which would target 18 to 25 year old non-addicted drug crime offenders. Modeled after other high intensity supervision programs, this effort would focus on offenders involved in drug crimes and the drug culture who do not suffer from an addiction problem. With a strong training component, this program aims to refocus these offenders to other options for employment and support. It includes 24 hour electronic monitoring and daily reporting to a supervision center. It represents a significantly lower cost alternative to incarceration.

All of the innovative programs in the Social Services Division are aimed at creating efficient methods of addressing a workload burden that continues without abatement . Without proper support, the district will discover they must provide more expensive options.

FAMILY DIVISION

In the Family Division, juvenile caseload continues unabated, the new Domestic Violence Act increases domestic caseload as well as the criminal side, and we continue to see progress in paternity and support collections.

Juvenile And Neglect Caseload

Juvenile cases are continuing their steady increase. Almost 5,000 cases were filed in the court in 1992. In addition, the pending caseloads in these calendars increased by 21% during 1992. The crimes committed by these juveniles are growing in severity. For example, acts against persons increased by 21%. Armed/violent robbery increased 36% and assault referrals rose by 22%. These are

staggering and highly disturbing trends in violence which are being displayed.

The number of neglect case filings increased in 1992 to 1,351 cases representing a 62% increase in one year. This represents a serious concern to the court as it funds attorneys through its CCAN program to represent indigent parties and children in abuse and neglect cases. The degree of increase suggests there may be deficiencies in this appropriation as the year progresses.

The court has adjusted its individual calendar systems. The court has expanded its two juvenile individual calendars and added a recent individual neglect calendar and individual domestic relations calendars.

The court also recently opened its new juvenile and "At-Risk" detention facility. This allows the court to honor Department of Justice mandates to have sight and sound separation of juveniles from adults and insures the district avoids federal penalties.

The following table represents the drug test results for juvenile arrestees over the past four years:

	1989	1990	1991	1992
Positive (any drug)	23%	16%	19%	29%
Cocaine	18%	11%	10%	07%

In 1992, the use of marijuana among arrested juveniles continued the rise noted in 1991 with 25% testing positive for use of this drug. Only 7% tested positive for cocaine.

Domestic Violence Act Cases

As an additional program concern, the court must address the staffing needs to implement the council's recently passed "Domestic Violence Prevention Amendment Act" (D.C. Code Sec. 4-131, 16-1001, 16-1031 To 1034, and 25-581 Supp. 1991). This statutory change has resulted in a dramatic increase in the domestic violence caseload for the Family Division. The largest proportion of domestic violence case activity results from "pro se" requests for a protection order. This is a time consuming and sensitive task for which the court received no staff or funds. In 1990, the division handled all CPO case processing activity for 2,221 requests or approximately 185 requests per month. The division handled approximately 3,000 requests in 1992 or 250 requests per month for CPOs, which represents a 35% increase in case activity since the legislation was enacted.

Paternity And Support

The court has also created efficiencies in its processing of paternity and child support cases increasing collections to over $32 million in 1990, $36 million in 1991, and $42.6 Million in 1992 and assisting the district in meeting its federal mandates in the IV-D program area and avoid over $1 million in penalties. Paternity and child support filings rose by 17% to almost 6,000 cases.

The court also instituted a spanish language component to its child support hotline which broadens access to the court's child support information to members of the Washington Metropolitan Area Latino communities. While we receive 75 calls daily on the spanish language hotline, the regular child support hotline receives 1,200 calls daily and provides the public with invaluable 24 hour access to support account information.

The court is also exploring efforts with the Department of Human Services to receive federal funding assistance in IV-E cases. The court will be sponsoring a review of this program at its upcoming judicial training program. However, child support cases are an increasing caseload and concern. Without additional program support many of the advances created in recent years by the court in this area are in jeopardy.

CIVIL DIVISION

Apart from the criminal justice side, I am pleased to report on the continuing success of our civil delay reduction program. This nationally recognized Superior Court program has made a major impact on pending civil caseloads and processing time in the district. Since January 2, 1991, when the court implemented the program, the pending caseload has been reduced by almost one-half. In 1992, the pending rate has been reduced by about 30%.

In addition, there has been dramatic progress in the pace of disposing of civil cases in the District of Columbia. In 1989, prior to implementation of the new case processing structure, only 46% of the caseload was disposed in less than one year. Only 72% of the caseload was disposed in less than two years. However, with the development of this new program, cases are being resolved much faster. As an example, from January 2, 1991 to March 31, 1992 (15 months) 81% of the 21,027 cases filed were disposed in less than one year and 89% were disposed in less than 18 months. In addition, of the approximately 4,000 cases filed between January, 1991 and March 31, 1991, only 80 cases, or 2% of this total caseload, are still active two years after they were filed. This compares to 25% of our 1989 caseload that was active after two years.

While the court is pleased with this success and the benefits that are provided to district citizens by much quicker resolution of their civil disputes, the delay reduction program is still in a very vulnerable state. Civil filings continue unabated. In 1985, there were 9,475 civil action filings. In 1992, the division received the greatest number of civil action filings in the history of the Superior Court. There were 16,661 filings representing a 76% increase in the annual filing rate since 1985.

To assist in addressing this expanding caseload and honor the court's commitment to resolve civil matters as justly and quickly as possible, we continue to explore new case processing concepts. In 1992, the court developed specialized calendars to address collections and subrogation cases. This unique calendar will assist in resolving this significant portion of the civil caseload even faster than before with more convenience to the public and the Bar. However, without the expansion of the Multi-Door Division, the impact of this filing rate would have eliminated the ability to use the new case processing structure and resulted in a reversion to former case processing methods producing dramatically higher pending rates and delays.

The Civil Division has also been responsible for processing over 63,000 Landlord & Tenant cases and addressing more than 29,000 Small Claims actions in 1992. To assist in processing its caseload even faster and more justly, the court is attempting to raise jurisdiction in Small Claims cases to $5,000.

Early intervention by the court and extensive use of alternative dispute resolution techniques has resulted in faster disposition of cases. This program is just beginning to pay dividends and the prospect of cutting back at this critical stage is disturbing. In the past year, the court has been visited by judicial and administrative representatives from other court systems in the United States and from other countries who have heard of our success and are seeking assistance in emulating it. One county jurisdiction in a neighboring state has been ordered by their chief judge to design a program identical to ours because the local Bar, who also practice in our court, have been pressuring for a similar system in their court. We have spent countless hours with these and other court representatives helping them understand our system and its benefits. It is gratifying to know that our hard work and dedication is benefiting not only our own citizens but also assisting other jurisdictions as well.

MULTI-DOOR DIVISION

The Multi-Door program has expanded from a "settlement week" project that addressed 900 of the oldest civil cases each year to an integrated component of the civil case processing structure. With a settlement rate of over 50% for mediation and neutral case

evaluation and 70% in arbitration cases, the success of this program has been greater than even the court expected. With the development of this program, the division now analyzes almost 10,000 cases annually for ADR recommendation and schedules approximately 6,500 cases for ADR hearings. The division actually mediated 4,578 civil action cases which represents a 61% increase from 1991 and 480 domestic relations cases which was a 91% increase. The Multi-Door program also assists in the resolution of small claims cases. More than any other program, it represents the most efficient method of dispensing justice in our system, yet without appropriate funding, it is in jeopardy.

Our jurisdiction is recognized as having the most innovative and extensive program in the United States offering three different methods of ADR including mediation, neutral case evaluation, and arbitration. In addition, the court is implementing new arbitration rules which will fully use this important dispute resolution technique and assist in providing even greater opportunities for speedier resolution of the civil caseload. The program relies heavily on approximately 600 attorney volunteers who serve as arbitrators, mediators, and case evaluators.

The National Center for State Courts has approached the court to serve as a demonstration and training site in the fall for other jurisdictions to learn of this new case processing and alternative dispute resolution program that is having such a dramatic impact on our caseload. Our new system is so strongly supported in the community that many of the local attorney mediators, recognizing the court's limited resources, but realizing the inherent value of the approach, volunteer their time in service to the community and the court.

Because of the rapid development of the civil delay reduction program, the administrative component has been largely staffed by fulltime, but "non-funded" employees for which the court is now requesting permanent authorization. The court needs to insure the long term stability of this division and its role in civil case processing by insuring permanent staff support. The court cannot risk being non-responsive to its own rules due to an absence of appropriate staffing in this small, but critically important division. Without the Multi-Door component, there would not be a civil delay reduction effort and the judicial resources required to address all of our caseloads would be much greater.

PROBATE DIVISION

The annual caseload in the Probate Division showed progress. While annual filings remained consistent with 1991 with approximately 3,000 filings in 1992, the overall pending caseload dropped by almost 23% from 6,278 cases to 4,856 cases. The assistance, over the past few years, of the assignment of

additional judicial resources and staff, as well as several case processing improvement efforts are producing results in this caseload. In the coming months, I anticipate the appointment of a task force to consider issues relevant to the operations of the Probate Division as well as needed legislative initiatives.

CONCLUSION

Even in the face of rising caseloads and new responsibility under the Bail Reform Amendment Act and the Domestic Violence Act, as well as the never ceasing problem of drug-related crime, the court's FY-94 request will allow sustaining the most basic and essential mandatory costs and the most pressing staffing needs in the areas of domestic violence, child abuse, and delay reduction. The court will continue its expenditure controls in other mandatory cost areas to insure it can continue as close to normal operations as possible without requesting additional funds. In addition, the court will continue to pursue grant funds to support innovative development programs that may, in the future produce swifter and more cost effective justice.

In closing, let me state that I have been privileged to serve on the finest trial court in the country for the past two decades. For the past seven years, I have served as chief judge. I have seen the outstanding programs that have originated and served as models which are emulated throughout this country. I am proud of our court, as I believe you are. While we all recognize the fiscal crisis facing the district, I urge you to support the budget need of the courts to meet their obligations to the community, particularly in the public safety area, by looking favorably on our request for fiscal '94 which has been so strongly supported by the City Council. I wish to thank you and the members of the subcommittee for their past support for the court. I look forward to working with this subcommittee in the year ahead.

I would be pleased to answer any questions that you might have at this time.

Superior Court of the District of Columbia--District's Recommendation

Agency Overview

Mission

The mission of the Superior Court of the District of Columbia is to adjudicate all legal matters applicable to the District and its citizens.

Agency Description

The court's mission is accomplished by providing quality judicial services to the citizens of the District and being a model for court systems throughout the nation. The Superior Court of the District of Columbia has the general responsibility of adjudicating all legal matters applicable to the District and its citizenry. Special responsibilities are outlined in Title 11 of the D.C. Code, "Organization and Jurisdiction of the Courts." The divisions which comprise the Superior Court provide for local litigation functions -- criminal, civil, juvenile, domestic relations, probate, tax, landlord and tenant, traffic and other functions. Various programs are administered by the Superior Court such as Witness Fees, Indigent Legal Defense, Sequestered Jury Expense, Psychologist Services, Child Abuse and Neglect, and others.

Agency Budget Summary

FY 1994: The District's *appropriated* budget recommendation for FY 1994 is $76,040,000 and 1,264 full-time equivalent (FTE) positions, an increase of $2,942,000 from the revised FY 1993 and approved FY 1993 budgets.

The *nonappropriated* budget for FY 1994 is $1,350,000 and no FTEs.

FY 1993 Revised: The District's revised FY 1993 *appropriated* budget recommendation is $73,098,000 and 1,264 FTEs, no change from the FY 1994 approved budget.

Major changes include the following:

- An increase of $1,742,000 in FY 1994 to upgrade the Court's computer center.
- An increase of $586,000 in FY 1994 for Counsel for Child Abuse and Neglect ("CCAN") program fees.
- An increase of $614,000 for a $15.00 across-the-board increase in the hourly rate for CCAN attorneys -- raising their hourly rate from $35.00 to $50.00.

Budget Strategy and Impacts

Strategy: Although the Courts have independent status, they remain a part of the District government and are subject to, but not bound by, legislative and executive mandates proposed by the District government. However, the Courts' independent status has historically exempted the Courts from any significant budget rescissions. Subsequently, other District agencies have to absorb a greater allocation of the imposed but necessary rescissions.

The severity of the current financial situation of the District warrants the most efficient management

Superior Court of the District of Columbia--District's Recommendation

possible. It is hoped that the District of Columbia Courts will take advantage of this fiscal crisis and implement the most effective cost-saving strategies. The implementation of such strategies will ensure the continuance of the current level of service as well as the absorption of any increased costs within the budget recommendations.

Table I **Agency Staffing and Funding Detail**

Programs	Staffing (FTE Positions)				Funding			
	FY92 Actual	FY93 Budget	FY93 Revised	FY94 Proposed	FY92 Actual	FY93 Budget	FY93 Revised	FY94 Proposed
Superior Court of the District of Columbia	1,223.4	1,264.0	1,264.0	1,264.0	66,764,127	73,098,100	73,098,000	77,390,000
Superior Court Grant Projects	2.8	0.0	0.0	0.0	608,552	0	0	0
Total Agency	1,226.2	1,264.0	1,264.0	1,264.0	67,372,679	73,098,100	73,098,000	77,390,000
Appropriated Funds	1,223.4	1,264.0	1,264.0	1,264.0	65,225,540	73,098,100	73,098,000	76,040,000
Federal Funds	0.0	0.0	0.0	0.0	0	0	0	0
Intra-District Funds	2.8	0.0	0.0	0.0	2,147,139	0	0	1,350,000
Other Funds	0.0	0.0	0.0	0.0	0	0	0	0

Table II **Agency Appropriated Summary by Expenditure Type**

Expenditure Type	Staffing (FTE)				Funding			
	FY 92 Actual	FY 93 Budget	FY 93 Revised	FY 94 Proposed	FY 92 Actual	FY 93 Budget	FY 93 Revised	FY 94 Proposed
Personal Services								
Regular Pay	1,195.6	1,256.0	1,256.0	1,256.0	43,951,659	48,969,000	48,969,000	48,969,000
Other Pay	27.8	8.0	8.0	8.0	1,016,755	775,000	775,000	775,000
Additional Gross Pay	0.0	0.0	0.0	0.0	1,275,486	284,000	284,000	284,000
Fringe Benefits	0.0	0.0	0.0	0.0	5,831,780	5,890,000	5,890,000	5,890,000
Total Personal Services	1,223.4	1,264.0	1,264.0	1,264.0	52,075,680	55,918,000	55,918,000	55,918,000
NonPersonal Services								
Supplies					493,917	755,000	755,000	755,000
Energy					23,839	100	0	0
Communications					661,097	882,000	882,000	882,000
Building Rent					175,436	325,000	325,000	325,000
Other Services & Charges					10,792,815	13,646,000	13,646,000	15,046,000
Subsidies & Transfers					0	0	0	0
Equipment					1,002,756	1,572,000	1,572,000	3,114,000
Total NonPersonal Services					13,149,860	17,180,100	17,180,000	20,122,000
TOTAL AGENCY	1,223.4	1,264.0	1,264.0	1,264.0	65,225,540	73,098,100	73,098,000	76,040,000

Superior Court of the District of Columbia--Court's Request

Overview

Mission

The Superior Court of the District of Columbia is the trial court with original jurisdiction over all criminal, civil, family, tax, and probate cases, as provided for in Title 11 of the D.C. Code, "Organization and Jurisdiction of the Courts."

Budget Summary

The total budget in F.Y. 1994, all of which represents appropriated funds, is $78,275,000 and 1,275 full-time equivalent (FTE) positions. The adjustments are described in detail as follows:

Table I **Staffing and Funding Detail**

Programs	Staffing (FTE Positions)				Funding			
	FY92 Actual	FY93 Budget	FY93 Revised	FY94 Proposed	FY92 Actual	FY93 Budget	FY93 Revised	FY94 Proposed
Superior Court of the District of Columbia	1,223.4	1,264.0	1,264.0	1,275.0	66,764,127	73,098,000	73,098,000	79,625,000
Superior Court Grant Projects	2.8	0.0	0.0	0.0	608,552	0	0	0
Total	1,223.4	1,264.0	1,264.0	1,275.0	67,372,679	73,098,000	73,098,000	79,625,000
Appropriated Funds	0.0	1,264.0	1,264.0	1,275.0	65,225,540	73,098,000	73,098,000	78,275,000
Federal Funds	0.0	0.0	0.0	0.0	0	0	0	0
Intra-District Funds	0.0	0.0	0.0	0.0	2,147,139	0	0	1,350,000
Other Funds	0.0	0.0	0.0	0.0	0	0	0	0

Mandatory programs and inflationary costs: +$4,705,000. In order to maintain fiscal year 1993 staffing levels and meet anticipated expenses associated with currently mandated programs and existing services, the following increases are required.

- A within-grade funding request of $497,000 is necessary to cover within-grade advancements which are required by law to be given to all eligible employees during fiscal year 1994.

- Effective in 1986, in accordance with the provisions of the Omnibus Budget Reconciliation Act of 1985, new District government employees were required to be enrolled in the Medicare program. Under this program, the Superior Court must pay an employer's contribution of 1.45 percent of an employee's gross salary. It is anticipated that in FY 1994, the cost to the Superior Court will be $375,000, an increase of $53,000 over its budget base.

- The employer's cost of employee health benefits has drastically increased during each of the past several years. It is anticipated that this trend will continue during fiscal year 1994. Therefore, an increase of $620,000 is needed in fiscal year 1994 to fund this mandatory

contribution.

- In order to provide full year funding for the 19 positions authorized in fiscal year 1993, $308,000 is required.

- In fiscal year 1993, a judicial pay adjustment was statutorily mandated. $245,000 is required to address this pay adjustment.

- Compensation for Senior Judges performing judicial duties is based on the annual salary of an active Associate Judge. With the fiscal year 1993 increase in the amount authorized to be paid active Associate Judges, an increase of $20,000 is required.

- Since October 1989, the non-judicial employees of the Superior Court of the District of Columbia have received one adjustment to their pay schedule. Title 11-1726 of the D.C. Code prescribes the manner in which the District of Columbia Courts are to establish the compensation rates for non-judicial employees. One of the standards is to fix rates which are comparable to those paid to federal government employees occupying the same or similar positions or occupying positions of similar responsibility, duty and difficulty. It has become increasingly more difficult to recruit and, in some instances, retain the more well qualified individuals. An increase of $1,742,000 is requested in order to provide the Superior Court's non-judicial employees a five percent pay adjustment, effective January 1994.

- The cost of machinery maintenance and repairs amounted to $698,545 in fiscal year 1992. Anticipating minimal inflationary increases for fiscal years 1993 and 1994, and since the last increase for this type of expense was provided in fiscal year 1990, an additional $130,000 is required.

- Since its inception, the Counsel for Child Abuse and Neglect program has operated on a cash basis. Payment levels for fiscal years 1987 through 1992 have risen steadily from $1,077,100 to nearly two million dollars. In 1990 and 1991 the number of child abuse and neglect cases filed amounted to 818 and 832 respectively. The number of these types of filings in 1992 amounted to nearly 1,400. With the long term costs of these 1992 cases being payable in fiscal year 1994 and the anticipated, continued high levels of filings in 1993 and 1994, it is projected that the fee payments for this program will amount to $2,656,000 in fiscal year 1994, $586,000 above the program's current base. These are not discretionary or controllable costs since representation is mandated and the rates of compensation are set by statute.

- The last time additional funding was provided to the Superior Court for equipment leasing and lease/purchases was in fiscal year 1986. In order for the Court to acquire the equipment needed to utilize the most recent technology available, thus minimizing staffing increases, equipment leasing and lease/purchases have been necessary. To fully provide for this additional expense in fiscal year 1994, $130,000 is requested.

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- An unfunded item which has been increasing over the years, is the cost of software applications and annual license fees. This represents a critical component of the technology supporting the Court's operations. In order to provide for this annual expense, an additional $313,000 is required.

- The Social Services Division, the probation services arm of the Court, in addition to its primary base operations in Judiciary Square, has four field units from which it provides various community services. The Court has been advised by the District's Department of Administrative Services that the full cost of the leased space for these four probation office field units in the Northwest, Northeast and Southeast sections of the District will be $386,000 in fiscal year 1993 - $61,000 above the current budget base. It should be noted that a portion of this increase is due to the added cost of space for the Probation and Parole Resource Center, previously funded through a Department of Justice grant.

- The Superior Court has constantly responded to the needs of the District in finding alternatives to incarceration. The Social Services Division is providing more intermediate sanctions programs to assist in reducing the District's cost of incarcerating individuals convicted of crimes by offering monitoring, supervision, treatment, and counseling programs. The recently passed Domestic Violence Amendment Act and the rising caseload in the child abuse and neglect area are creating additional concerns for the Court that need to be addressed in conjunction with the District's efforts. The Court is requesting funding for personnel in two Social Services Division program areas.

  Probation and Parole Resource Center

  The Social Services Division, in conjunction with the D.C. Board of Parole and the Alcohol and Drug Abuse Services Administration (ADASA) of the D.C. Department of Human Services has been involved in a $1.35 million grant to establish the Probation and Parole Resource Center (PPRC). This collaborative inter-agency program is now in its second year of operation. At a time when treatment programs are being reduced, this program serves as a last chance for many offenders before more expensive incarceration is incurred by the District. In recognition of the fiscal difficulties confronted by the District, the Court is requesting permanent funding for only 20% of the presently grant funded positions that will ultimately have to be supported to insure continuation of the program.

  a. One CS-13 Supervisory Probation Officer (PPRC Program): +1 CFT Pos. - $56,000.

     This position is the supervisor of the PPRC program which serves to divert and treat 330 drug offenders per year. The Court's sole funding for this program has been derived from grant sources. This request is for a critical program that may have to be terminated without authorized support. To insure continuation of this program, position authorization and funding is requested.

b. One CS-06 Probation Assistant (PPRC Program): +1 CFT Pos. - $23,000.
This position provides administrative assistance to the PPRC Program efforts of the Social Services Division. To insure continuation of the program, position authorization and funding is requested.

Child Abuse Counseling

The District is experiencing a problem of record proportion in the increase in abuse and neglect cases. At the current pace, there will more than 1,400 abuse and neglect cases filed in the Superior Court in 1992. This represents a 62% growth in caseload in one year. In addition, this represents a 165% growth in caseload since 1987. This increase is having the most serious operational impact in the Social Services and Family Divisions. To address this problem the Court needs staff to support its Social Services Division's child abuse counseling program. This program currently is responsible for diagnosing and supervising approximately 420 physically and sexually abused children in the District. The present caseload is almost twice the national norm. With the dramatic growth in caseload, the Court needs additional probation officers to maintain current workload norms at already inflated levels.

c. Two CS-12 Probation Officers (Child Abuse Counseling): +2 CFT Pos. - $73,000.
To provide needed assistance to address the dramatic growth in child abuse caseload, the Court requests authorization and funding for two probation officer positions.

- Domestic Violence Intervention Program

As an additional program concern, the Court must address the staffing needs to implement the Council's recently passed "Domestic Violence Prevention Amendment Act" (D.C. Code Sec. 4-131, 16-1001, 16-1031 to 1034, and 25-581 Supp. 1991). Responding to the increasing awareness of the severe impact to families and children created by domestic violence, the new legislation authorizes police officers to arrest an individual if an officer believes there is probable cause that a person committed an intrafamily offense resulting in violence or the threat of violence and to conduct this arrest without a warrant having been previously issued.

This statutory change has resulted in a dramatic increase in the domestic violence caseload for the Family Division. If the U.S. Attorney's Office declines to prosecute a case and the Corporation Counsel's Office declines to represent a client in a civil protection order (CPO) or temporary protection order (TPO) action, the Family Division's Domestic Relations Clerk's Office is requested to assist a victim in filing a pro se request for a protection order action. The largest proportion of domestic violence case activity results from pro se requests for a protection order. This is a time consuming and sensitive process for which the Family Division was not provided funds or staff to address this increase in caseload produced by the Domestic Violence Amendment Act. In 1990, the Division handled all CPO case processing activity for 2,088 requests or approximately 175 requests per month. Presently, the Division is projected to handle 3,000 requests in 1992 or 250 requests per month for pro se civil protection actions, which represents a 44 percent increase in case activity since the legislation

was enacted. The division requests two Special Domestic Processing Clerks to assist the Court in processing Domestic Violence Amendment Act cases.

Two CS-8 Special Domestic Processing Clerks (Domestic Violence Amendment Act): +2 CFT Pos. - $48,000.
To provide needed assistance to address the operational impacts of the Domestic Violence Amendment Act, the Court requests authorization and funding of these two positions.

- The Court intends to expand and integrate its Domestic Violence data base to allow the Criminal and Family Divisions to share information concerning batterers and create a tracking mechanism to allow the judiciary to note domestic abuse histories which will assist in protecting families. To assist in this effort, the Data Processing Division needs an additional computer operator position. In addition, this position will insure that operational support for the Division is provided. Of particular concern is the continued automated data needs of the Court. In order to respond to normal daily operations that affect all aspects of District citizens lives, the Court needs to maintain its computer operator staff at minimal levels. Presently, only one computer operator is available for the day shift when the greatest burden of automated operations needs are demanded. To address this additional program effort needed to comply with the Domestic Violence Amendment Act and to maintain basic computer operations, an additional computer operator position is needed.

  One CS-06 Computer Operator (Domestic Violence Amendment Act): +1 CFT Pos. - $22,000.
  To address needed operation support and automated components of the Domestic Violence Amendment Act, the Court requests authorization and funding for this position.

- The Superior Court's nationally recognized civil delay reduction program has made a major impact on pending civil caseloads and processing time in the District. When the Court fully implemented the project on January 2, 1991, there were 17,541 pending civil cases in the division. In just 21 months since its initiation, this pending caseload has been reduced by 50 percent to just 8,727 pending civil cases.

  In addition, there has been dramatic progress in the pace of disposing of civil cases in the District. In 1989, prior to implementation of the new case processing structure, only 46 percent of the caseload was disposed in less than one year. Only 72 percent of the caseload was disposed in less than two years. However, with the development of this new program, cases are being resolved much faster. As an example, of the approximately 8,500 new civil cases filed in the initial six months of 1991, 83 percent were disposed in less than one year and 87 percent in less than 18 months. While the Court is pleased with this success and the benefits that are provided to District citizens by much quicker resolution of their civil disputes, the delay reduction program is still in a very vulnerable state.

  The program is dependent on a successful and extensively used alternative dispute resolution

component. With almost 17,000 cases filed in 1992 and filing rates increasing by almost ten percent annually, ABA disposition goals can not be achieved without successful settlement of a large portion of the caseload prior to the need for extensive involvement by the judiciary.

As a result, the court has developed an alternative dispute resolution program that is nationally recognized as one of the best in the country which uses three different forms of dispute resolution: arbitration, mediation, and neutral case evaluation. The program relies heavily on approximately 450 attorney volunteers who serve as arbitrators, mediators, and case evaluators.

Because of the rapid development of the civil delay reduction project, the administrative component of this program has been largely staffed by full-time, but "non-funded" employees for which the court is now requesting permanent authorization. Without it, the court may be forced to dramatically scale back this program which would have disastrous impacts on the delay reduction program and cause the court to risk being non-responsive to its own civil rules. In addition, the Court is considering implementing new arbitration rules which will fully use this important dispute resolution technique and assist in providing even greater opportunities for speedier resolution of the civil caseload. Most of these existing full-time non-authorized positions critically need to receive permanent authorization if the Court is to insure the arbitration rules and program can be fully used to the benefit of District citizens.

Prior to the implementation of the civil delay reduction program, the multi-door division assisted with fewer than 1,000 civil actions cases annually. Because delay reduction programs are dependent on successful dispute resolution efforts, the court integrated this concept into its formal case processing system. With the development of this program, the division now analyzes almost 10,000 cases annually for ADR recommendation and schedules approximately 6,500 cases for ADR events.

a. One CS-11 Arbitration Specialist: +1 CFT Pos.; +$0.
This position is responsible for all aspects of case management for the 2,000 civil actions cases referred to arbitration as a result of the delay reduction program. It also supervises the 200 volunteer attorney-arbitrators who assist in resolving these cases. The arbitration program has settled almost 70% of the cases transferred. Presently, a temporary employee has been performing these functions. Permanent authorization is requested to insure the arbitration component to the delay reduction program can be maintained and the new arbitration rules can be fully implemented.

b. One CS-09 Civil ADR Coordinator: +1 CFT Pos.; +$0.
This position is responsible for managing mediation and neutral case evaluation hearing intake operations. This position also manages and monitors the approximately 4,500 cases annually assigned to these forms of dispute resolution and assists with management responsibilities for the 450 attorney mediator and neutral case evaluator volunteers. A full-time "non-funded" employee has been performing these functions.

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Permanent authorization is requested to insure these responsibilities necessary to the delay reduction program can be performed.

c. One CS-08 Arbitration Assistant: +1 CFT Pos.; +$0.
This position provides the clerical and case management support and assistance for the civil arbitration program. This program is responsible for 2,000 civil actions case assignments annually to volunteer attorney arbitrators. Case management efforts are extensive involving coordination with the clerk's office, civil division judges, parties in the case, and volunteer attorneys. Presently, a full-time non-funded employee performs these duties. Permanent authorization is requested.

d. One CS-06 Mediation Clerk: +1 CFT Pos.; +$0.
This position provides clerical and case management support and assistance for the mediation program. This program is responsible for almost 3,500 cases annually assigned to the division. Case management efforts involve coordination of ADR recommendation information provided by parties and attorneys in the cases, monitoring scheduling of hearings and resolution of cases. Presently, a full-time "non-funded" employee performs these duties. Permanent authorization is requested to insure these duties critical to the court's delay reduction program continue to be performed.

- The Court presently has an early 1980s IBM mainframe system that has become obsolete and no longer meets the automated operational demands of the Court's sophisticated data needs. The present system, in light of the growth of the Court's caseload and necessary access by court decisionmakers, does not have enough disk storage capacity or processor speed to continue to provide timely service or store critical data for the Court. On-line access and user response time, two essential needs in a court environment, will be severely limited in the near future if the system is not upgraded. With the emphasis on expedited criminal, civil and family case processing, and attention to automated tracking of special caseloads such as domestic violence cases, the Court critically needs to upgrade its present mainframe to support normal operations. A lease/purchase to fund this requirement will cost an additional $250,000 annually for six years.

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Table II **Appropriated Summary by Expenditure Type**

Expenditure Type	Staffing (FTE)				Funding			
	FY 92 Actual	FY 93 Budget	FY 93 Revised	FY 94 Proposed	FY 92 Actual	FY 93 Budget	FY 93 Revised	FY 94 Proposed
Personal Services								
Regular Pay	1,195.6	1,256.0	1,256.0	1,267.0	43,951,659	48,969,000	48,969,000	51,655,000
Other Pay	27.8	8.0	8.0	8.0	1,016,755	775,000	775,000	795,000
Additional Gross Pay	0.0	0.0	0.0	0.0	1,275,486	284,000	284,000	284,000
Fringe Benefits	0.0	0.0	0.0	0.0	5,831,780	5,890,000	5,890,000	6,879,000
Total Personal Services	1,223.4	1,264.0	1,264.0	1,275.0	52,075,680	55,918,000	55,918,000	59,613,000
NonPersonal Services								
Supplies					493,917	755,000	755,000	755,000
Energy					23,839	1,207,000	1,207,000	1,268,000
Communications					661,097	0	0	0
Building Rent					175,436	0	0	0
Other Services & Charges					10,792,815	13,646,000	13,646,000	14,675,000
Subsidies & Transfers					0	0	0	0
Equipment					1,002,756	1,572,000	1,572,000	1,964,000
Total NonPersonal Services					13,149,860	17,180,000	17,180,000	18,662,000
TOTAL	1,223.4	1,264.0	1,264.0	1,275.0	65,225,540	73,098,000	73,098,000	78,275,000

Mr. DIXON. Judge Ugast, if you would like to highlight your prepared statement, I would appreciate that testimony at this time.

Judge UGAST. Thank you, Mr. Chairman.

INTRODUCTION OF SUPERIOR COURT CLERK

I would like to introduce Mr. Frederick B. Beane, Jr., the clerk of the Superior Court.

Mr. DIXON. Good morning.

Mr. BEANE. Good morning, Mr. Chairman.

HIGHLIGHTS OF SUPERIOR COURT'S BUDGET REQUEST

Judge UGAST. As you have indicated, the Council supported our request of $78,275,000 through their request for an additional Federal payment for public safety. The Superior Court would receive funding of an additional $2,106,000 to cover our requests and an increase in the rate of compensation of attorneys representing indigents.

The operating budget would reflect a net increase of $3,435,000 to support mandatory costs, seven appropriated new positions, and four additional authorized positions but not funded, and the critically needed upgrade for the main computer system.

This operating budget request also includes funds for compensation adjustment for the court's nonjudicial personnel in January of 1994 if the District Government decides to support pay increases for the employees in the next fiscal year. The Council approved a budget of $76 million-plus and recommended a total budget of $80 million through their request for a federal payment for public safety.

Briefly, the mandatory costs include such items—as 50 percent of our requested increase is in mandatory personnel service costs, employee annualization for positions that were previously granted, health care and medicare contributions, and judicial and senior judge pay adjustments. The health increase is a substantial amount. Over $600,000 for health care contribution, that the government has to now pay.

In the category of "Other Than Personal Services" mandatory cost represents another 35 percent of our request. And included in that category are four cost areas: automated equipment maintenance, some computer equipment lease/purchases, software license fees, and the field unit leases.

CHILD ABUSE AND NEGLECT PROGRAM

An additional mandatory cost area that I alluded to is the Council for Child Abuse and Neglect program that provides attorney representation for indigent parties and children in this sensitive area. And the cost for that representation has risen again this past year.

Unfortunately, as I have indicated, the number of neglect cases has dramatically increased, tragically, from 850 up to 1,400 cases. And already this year, the level of the filings we are experiencing has increased. And I have had to create an additional calendar just to cover the neglect cases involving children.

The City Council acknowledged their support for this by supporting our request for an additional amount to cover the normal increased costs. And then they supported the $15 per hour increase in the rate of compensation for both the attorneys in the program representing abused and neglected children as well as the attorneys under the Criminal Justice Act program in the criminal and juvenile areas. As you know, the Federal rate here is $75 an hour.

And the court supported these increase as long as funds could be provided to cover that increases.

NEW POSITIONS

Our personnel requests are seven positions, as I say. And they are—four of them are in the Social Service Division, probation officers, two dealing with the Probation and Parole Resource Center, which is a drug program; a day drug program; and two for the child abuse counseling programs.

And then we ask two for the family division to deal with the increased demands as a result of the Prevention of Domestic Violence Act and one computer person to try to correlate what is happening in both the criminal and family divisions as a result of the increase in domestic violence filing.

The four positions we are asking for to be authorized are in our multidoor dispute resolution center which has been successful not only in civil but in the family division, and finally the computer upgrade that I think I mentioned.

FEDERAL PAYMENT REQUEST FOR COURTS

Mr. DIXON. So the City Council said that if the Federal government were to provide an additional federal payment the Council would finance your additional request.

Of the additional $25 million federal payment requested, you were scheduled to get $6 million?

Judge UGAST. I believe the court——

Judge ROGERS. No. It was a total of $5.9 million for the entire Court System, trial, appellate, and the Court System out of that $25 million.

NIGHT-PAPERING

Mr. DIXON. Judge, we have had discussions before about night papering, and there have been several articles about police overtime abuse, some in connection with court appearances. You and I have had dialogue about that.

Has there been any change of status?

Judge UGAST. I met with the new chief of police not long after he came on board. And we studied a number of issues, including law enforcement strategy that they would be following and its impact on the court and police overtime and issues such as that.

And I raised, again, with them the issue of night papering, and I raised the issue with them of the question of police overtime and what could we do and what could the court do in these areas.

It was agreed that they would consider further and look at the cost aspects, because many officers are being brought in under the

present procedures, matters and are being presented to the grand juries the next day or the day after that.

With the change in the U.S. attorney, I have talked with the acting United States Attorney and with the likely new U.S. Attorney, whom I assume will be nominated and confirmed in the near future. I would again urge them to look at the expanded night papering, rather than night court, but I think it should be at later hours.

Our experience when it was being done before, the pickup of the substantial number of cases, it needs to run later in the night, closer to midnight to be able to accomplish and keep the officers from having to come back in the morning.

MANAGEMENT OF DRUG CASES AND POLICE OVERTIME

The positive note is something that we have started for a different purpose, but I think it is going to have a substantial effect on police overtime, and that is our program we started to deal with the drug distribution cases and the management of the calendars; we made substantial changes there. We got a grant from the State Justice Institute. We have computerized the courtrooms. We have three master calendars. And these cases are going to those calendars first and only go to the trial calendar if the plea offer is not accepted and the U.S. Attorney has agreed to make the best offer and not make it again.

Our present figures show that 75 percent of those cases are being disposed of in that fashion. That means that the police officers are not having to come in for status hearings or trial. We think that is going to maybe have a major impact on the police overtime. But that will depend—and I intend to go forward with the meetings with the United States Attorney and the chief of police.

INTIMIDATION OF WITNESSES

Mr. DIXON. Just two other areas. I recall you mentioned last year a problem that you saw growing and that problem was witness intimidation—the failure of witnesses to show up. You said that the Bail Reform Act would cause an increase in pretrial detention.

Was your prognosis correct? What is the status?

Judge UGAST. On the intimidation of witnesses, there hasn't really been any substantial change, other than the need for sensitivity on the part of prosecutor and counsel in bringing these matters to the attention of judges.

We have tried to increase in court the general security aspect of roving officers, because our concern—the two types of concerns, one was in the court house, in the hall, with respect to witnesses, and to some extent in the courtrooms. And we felt that in the courtroom, it was important that the Judge be made aware if there was a feeling that there was a problem and that he or she could deal with it in certain fashions by where people sat but the courtrooms had to be kept open. That, I don't think, has changed.

I have had a few more questions with judges maybe receiving some threats, but each one of those are treated seriously and referred to Marshals for appropriate investigation.

BAIL REFORM ACT

On the Bail Reform Act, that has played out pretty much like we expected. I added the accelerated felony trial calendar to deal with the issues of those cases in which the individuals are held pretrial.

And the expanded areas that that permitted brought additional problems for us in the sense that those cases that fell within the pretrial detention had to be tried under the Speedy Trial Act with the right for an additional 20 days.

And the figures that I have got of the requests for those being held June through May was about 1792 were requested and 1732 granted. That averaged out at about 144 a month. Though some of those can change. Even though they may be held pretrial at the outset, something may change in the conditions that would come out of that and not all be in that posture.

But it is running heavily. But we have been able so far, by adding the additional calendar, to meet that speedy trial deadline.

INTRODUCTION OF RANKING MINORITY MEMBER

Mr. DIXON. Our Ranking Member, Mr. Walsh from New York, has joined us.

Mr. Walsh, we have the District's judiciary branch of government here this morning. We have Chief Judge Judith Rogers, who is the Chief Judge of the Appellate Court here. She tells me this morning that there may be a mark-up on Eleanor Holmes Norton's bill on establishing an intermediate court for the District.

And then we went from her to the Presiding Judge of the Superior Court, Chief Judge Fred B. Ugast. The Superior Court is the trial court here.

We are about to have testimony from Mr. Ulysses Hammond, who is the Court Administrator.

With that, I think it brings you up to date.

Mr. WALSH. Thank you. I have had the pleasure of meeting them and I look forward to hearing from them again today.

JUDICIAL VACANCIES

Mr. DIXON. What about vacancies?

Judge UGAST. Judicial? I have one. It has been pending since last August. The nomination was made again, I guess, after the inauguration, in early March. Hearings have not been set yet. We are hoping that will proceed.

And it looks like we may lose more judges. Right now there is one vacancy.

TRAFFIC TICKETS ISSUED BY CAPITOL POLICE

Mr. DIXON. I understand there has been a change in the statutory authority governing traffic citations issued by the Capitol Police.

I don't know if you are familiar with that issue. Are you?

Judge UGAST. Generally, yes.

Mr. DIXON. Okay. They were formerly processed by the Superior Court, but there has been some change where they will now be processed by the Bureau of Traffic Adjudication.

Judge UGAST. Generally, Mr. Chairman, what this has done, it has decriminalized all of the traffic violations other than the serious ones, DWI and reckless driving. And when the act was passed in 1978 and went before the court, they are treating them as infractions and not as a criminal matter.

That would have a substantial impact on the court in terms of the number of cases that would be going through the court.

Mr. DIXON. As I understand it, the Capitol Police don't like the change. Have you or your clerk's office had some conversation with them?

Judge UGAST. Well, there were some discussions, not directly, but our clerk's office has been talking with them. And I think they wanted to clear up—there was some apprehension, as I understand it, that the act was broader than what I think is intended, and as I understand it, what the corporation counsel believes, that it only involved traffic violations.

It didn't involve protesters or any other type of infractions, from my understanding. Those cases are still treated as matters that would come before the Superior Court.

Mr. DIXON. But traffic violations issued by the Capitol Police are will now be treated the same way as those issued by the Metropolitan Police?

Judge UGAST. And throughout the city.

Judge ROGERS. Basically nonmoving violations.

Judge UGAST. They are really only traffic violations.

QUESTIONS FOR THE RECORD

Mr. DIXON. I have some questions that I will submit for you to answer for the record.

[The Committee's questions the Court's responses follow:]

SUPERIOR COURT

QUESTION:
1. The Superior Court has recently instituted a new Felony Drug Case Management system. What is this program designed to achieve?

ANSWER:
1. The Court received a $248,000 grant from the State Justice Institute in October, 1992 to develop a specialized method of addressing the burgeoning growth in Felony II drug cases. These funds have supported a development effort to address the growing backlog of drug cases that has been hindering the District's criminal justice system. Computers have been purchased for twelve criminal courtrooms to assist in speedy docket entry of case results and the scheduling of trials. The Court is processing all Felony II drug cases through three master calendars to afford defendants the earliest opportunity for swift justice. Early indications for the success of this program are excellent. Through the first quarter of this year, almost 75% of the cases moving through these calendars were disposed of within 90 days or less of arraignment. Nine individual calendars serve as trial calendars for the remaining drug cases that do not exercise an early option to plead out of the system. The grant support for this program is expected to end in March, 1994.

QUESTION:
2. The "Domestic Violence Prevention Amendment Act" was recently passed. What workload impact does this have on the Superior Court?

ANSWER:
2. This law has an impact in many areas of the Court. The Court received over 1,400 domestic violence criminal case filings in 1992, even without every police district receiving the required training in this new law. No staff has been added to the Criminal Division Clerk's Office to handle this extra workload. It has been burdensome to the Division and they are trying to cope with the extra work as best as they are able. From a judicial resource perspective, senior judges are being used to address this caseload.

At the other end of the criminal justice process, the Court's Social Services Division has developed a very successful "Domestic Violence Intervention Program" which is assisting over 600 batterers and includes a 12 week therapy program. No new staff has been added for this program and the statute is having significant workload impacts on the Court's probation capabilities.

In the Family Division, this Act has increased civil protection order requests by 35% from 185 per month to 250 per month. Assisting pro se litigants in this time consuming, sensitive, and emotionally charged process is too demanding for the present level of staffing. For this reason, two additional

positions for the Family Division Clerk's Office have been requested.

As the full impact of this new law develops, additional resources may be required by the Court for its implementation.

QUESTION:
3. What is included in the Superior Court's portion of the District's "Public Safety Initiative"?

ANSWER:
3. The "Public Safety Initiative" supports $4,341,000 in requested mandatory Superior Court costs and 11 FTE positions. These include such mandatory personnel costs as health insurance increases, mandatory automated systems maintenance costs that support the Court's critical criminal justice data information needs, and a 5% compensation increase for the Court's nonjudicial employees which is in line with the stated pay raise intention of the Mayor and City Council for District government employees.

BUDGET REQUEST OF COURT SYSTEMS (SEE PP. 1943–1949)

Mr. DIXON. Next we will take the Court System itself. And we have before us the Executive Officer, Ulysses B. Hammond.

For the Court System, the Mayor and Council propose a total of $29,358,000 and 97 positions for fiscal year 1994, an increase of $4,514,000 above the fiscal year 1993 enacted appropriation level and no change in the number of positions.

The Court on the other hand, proposes a total of $27,660,000 and 97 positions, an increase of $2,816,000 above the fiscal year 1993 enacted appropriation level and $1,698,000 below the city's recommended appropriation and no change in the number of positions.

That may be an error but Mr. Miconi indicates it is not and he and Mary Porter have been correct every time so far.

Mr. HAMMOND. $27,660,000.

DIFFERENCE IN COURT SYSTEM AND CITY'S REQUESTS

Mr. DIXON. You are proposing less than the Mayor and City Council? Again my notes say that for the Court System, the Mayor and the City Council propose $29,358,000 and 97 positions for 1994, which is an increase of $4,514,000 above the 1993 enacted level. The court proposes $27,660,000 and 97 positions.

Judge ROGERS. There are some typographical errors in the budget document that we brought to the city's attention.

In fact, the Court System is asking for an additional $527,000 over what the Mayor has recommended.

Mr. DIXON. Okay.

Ulysses, what are you asking for?

Mr. HAMMOND. $27,660,000.

Mr. DIXON. And what did the city propose?

Mr. HAMMOND. And the city—I can get that.

Mr. DIXON. Justice Rogers, the Committee staff, Mr. Miconi and Mary Porter, think our numbers are correct here.

Judge ROGERS. Well——

Mr. HAMMOND. The city proposed $29,358,000.

And what that includes is the $3.4 million from the CJA attorneys' rate increase.

Mr. DIXON. And so in your request, you are not including funds for the CJA rate increase?

Mr. HAMMOND. That is right.

Judge ROGERS. The District government decided to increase the hourly CJA rate from $35 to $55. That increase is reflected in the additional $300,000 that the City included in its request to the Congress. But, that did not take into account other items that the courts were requesting.

Mr. DIXON. I see. All right. So Mr. Miconi and Mrs. Porter are using the correct numbers.

PREPARED STATEMENT OF ULYSSES B. HAMMOND, EXECUTIVE OFFICER

Mr. Hammond if you have a statement, we will be pleased to place it in the record at this point.

Mr. HAMMOND. Thank you, Mr. Chairman. I, too, would like to request that my statement be made a part of the record.

[Mr. Hammond's prepared statement follows:]

STATEMENT OF ULYSSES B. HAMMOND
EXECUTIVE OFFICER,
DISTRICT OF COLUMBIA COURTS
BEFORE THE SUBCOMMITTEE ON DISTRICT OF COLUMBIA
APPROPRIATION

HOUSE APPROPRIATION COMMITTEE

JUNE 9, 1993

Introduction

Mr. Chairman and Members of the Subcommittee, I am pleased to appear before you today to address the budget request of the District of Columbia Court System for fiscal year 1994. The Court System performs the administrative functions for the District of Columbia courts. The Court System's budget is for the Executive Office, Fiscal Office, Court Reporter and Recording Services, Social Services Division and the Criminal Justice Act Program.

Mindful of the serious fiscal situation facing the nation and the District government the Court System is requesting funding for a "no growth" budget. This is a carefully scrutinized lean budget request. It includes no new programs and no new positions. To maintain existing operations the Court System seeks a fiscal year 1994 operating budget of $27,660,000, an increase from fiscal year 1993 of $2,694,000. The increase is a result of mandatory costs, such as within grades, medicare and health benefits; pay adjustments, court security, payments to attorneys who are appointed to represent indigent defendants, and custodial services.

The Court appreciates the Council of the District of Columbia's support in approving the budget requested level for the Criminal Justice Act program, as well as, the Council's inclusion of the court system's other budget needs in its request for an additional Federal payment for public safety initiatives.

As in previous years, the greatest portion of the Court System's budget $1,290,000, is for the Criminal Justice Act payments. This amount is required to meet the minimum needs of providing legal and investigative services to indigent defendants. Beginning with 1980, the Criminal Justice Act program has operated on a cash basis. Payment levels for fiscal years 1981 through 1992 have risen steadily from $4,188,500 to $16,487,000. The District of Columbia courts are anticipating that the dramatic escalation of program payments will continue during fiscal years 1993 and 1994. The base level of funding for the CJA program in fiscal year 1993 is set at $17,522,000, the court expects $18,812,000 in claims will be filed in fiscal year 1994. To satisfy the increase in claims an additional $1,290,000 is requested. This is not a discretionary cost. The District of Columbia Code requires that representation be provided for

indigent defendants and the rates of payment are established by statute. Insufficient funding in fiscal year 1994 will result in payments to attorneys being deferred until fiscal year 1995.

Maintaining adequate levels of security in court facilities for those who use and work in the courts is a critical need. In fiscal year 1990 the District of Columbia courts assumed responsibility for managing its security, resulting in immediate and noticeable improvements. However, because of the current state of violence, protest and witness intimidation in our city, security remains a serious concern at the courts. To maintain the present level of security provided by the U. S. Marshals Service, an additional $68,000 is requested. This represents an annual three percent increase above the fiscal year 1993 contract level.

The National Center for State Courts provides inestimable services to the District of Columbia courts. The Center conducts research projects on court and court related subjects, serves as a valuable technical assistance resource and is a clearing house for the exchange of information dealing with court administration practices and procedures. Membership in the National Center provides the courts with all of these benefits as well as a variety of publications and library services unavailable from any other source. The 1994 formula based assessment for the District of Columbia courts is proportionately consistent with the fees for each of the 50 states and is $8,000 above the funding level in the Court's budget base.

In the area of personal services, it is anticipated that in fiscal year 1994 in the cost for mandatory medicare to the Court System will be $35,000, an increase of $6,000 over its budget base. The cost to employers for employees' health benefits has severely increased in the past several years. It is anticipated that this trend will continue into fiscal year 1994. An additional $34,000 in fiscal year 1994 is required to fund this mandatory contribution for Court System employees.

A within-grade request for $64,000 is necessary to cover within-grade adjustments required by law for all eligible employees during fiscal year 1994. In addition 44,000 is required to finance a statutorily mandated pay adjustment.

The Department of Administrative Services (DAS) is currently responsible for janitorial services, pest control, window washing, trash collection and removal, and landscaping for the H. Carl Moultrie I Courthouse and court Buildings A, B and D. In recent years, the courts have become increasingly concerned about the quality of these services. The reduced level of funding provided to DAS has seriously impacted the cleanliness and sanitary conditions at the courts. While DAS appears to perform the best it can under difficult circumstances, the public suffers

the consequences of reductions in funding. The courts have assumed a larger financial share of the cost of maintenance services, not to improve quality or expand services, but to insure a "standard level of services" is provided. DAS has ceased to provide any landscaping services to the courts. The courts have filled the gaps created by DAS' failure to perform its basic responsibilities, but standard services continue to deteriorate. In fiscal year 1994, the District of Columbia courts are requesting to assume complete responsibility for these essential services.

The courts request a transfer of fiscal year 1992 DAS funding with a minimal additional appropriation that is significantly less than recommended by DAS to bring basic cleaning and landscaping services to a standard level. The use of court administrative staff to manage these services will result in more efficient management, reduction in overhead costs and proper facility maintenance. All of the funds requested will be used for maintenance of court buildings and grounds. DAS has advised that $1,025,000 was expended in fiscal year 1992 to maintain the court facilities. DAS has recommended that an additional $578,200 above the fiscal year 1992 cost is necessary to maintain the court facilities in an acceptable status. Our analysis does not support such an increase. Instead, we request only 25 percent of this amount, or a $150,000 increase to assume these responsibilities. This request was neither supported by the Council nor included in the additional Federal payment for public safety programs. However, it is one that is of utmost importance to the courts. Therefore, we urge the subcommittee to support this request.

While I am mindful of the fiscal dilemma facing the nation in general and District government, in particular, I am also mindful of the fundamental requirement to maintain the courts' operating capacity at a level that will provide appropriate services to the citizens of the District of Columbia. Inadequate funding will seriously impair the courts' ability to operate efficiently and effectively, therefore I urge this subcommittee to act favorably upon the Court System's budget request; and the Council request for the additional Federal payment for public safety programs.

District of Columbia Court System--District's Recommendation

Agency Overview

Mission
The mission of the District of Columbia Court System is to provide administrative and financial management support to the Superior Court of the District of Columbia and the D.C. Court of Appeals.

Agency Description
The D. C. Court System is headed by the Executive Officer who, subject to the approval of the Joint Committee on Judicial Administration in the District of Columbia, is responsible for the administration of the District of Columbia Courts including recruitments, compensation, training, and general personnel policies; accounting and auditing; procurement and disbursement; submission of annual budget requests; development and coordination of statistical and management information systems and reports supporting the annual report of the District of Columbia Court System; liaison with court systems of other jurisdictions; preparation and publication of the annual report; consideration and evaluation of the business of the courts and determination of means of improving the administration of justice within the court system. The Court System provides and administers the court reporting resources of the trial court and oversees the financial aspects of the Criminal Justice Act program.

Agency Budget Summary
FY 1994: The District's appropriated budget recommendation for FY 1994 is $29,358,000 and 97 full-time equivalent (FTE) positions, an increase of $4,514,000 and no change in FTEs from the revised FY 1993 and approved FY 1993 budgets.
FY 1993 Revised: The District's revised FY 1993 appropriated budget recommendation is $24,844,000, no change from the approved FY 1993 budget.

Major changes include the following:

- An increase of $1,290,000 for Criminal Justice Act program fees.
- An increase of $3,400,000 for a $15.00 across-the-board increase in the hourly rate for CJA attorneys -- raising their hourly rate from $35.00 to $50.00.

District of Columbia Court System--District's Recommendation

Table I Agency Staffing and Funding Detail

Programs	Staffing (FTE Positions)				Funding			
	FY92 Actual	FY93 Budget	FY93 Revised	FY94 Proposed	FY92 Actual	FY93 Budget	FY93 Revised	FY94 Proposed
D.C. Court System	101.3	97.0	97.0	97.0	22,599,467	24,844,000	24,844,000	29,358,000
Total Agency	101.3	97.0	97.0	97.0	22,599,467	24,844,000	24,844,000	29,358,000
Appropriated Funds	101.3	97.0	97.0	97.0	22,599,467	24,844,000	24,844,000	29,358,000
Federal Funds	0.0	0.0	0.0	0.0	0	0	0	0
Intra-District Funds	0.0	0.0	0.0	0.0	0	0	0	0
Other Funds	0.0	0.0	0.0	0.0	0	0	0	0

Table II Agency Appropriated Summary by Expenditure Type

Expenditure Type	Staffing (FTE)				Funding			
	FY 92 Actual	FY 93 Budget	FY 93 Revised	FY 94 Proposed	FY 92 Actual	FY 93 Budget	FY 93 Revised	FY 94 Proposed
Personal Services								
Regular Pay	93.4	97.0	97.0	97.0	3,843,162	4,098,000	4,098,000	4,098,000
Other Pay	7.9	0.0	0.0	0.0	233,306	0	0	0
Additional Gross Pay	0.0	0.0	0.0	0.0	18,407	3,000	3,000	3,000
Fringe Benefits	0.0	0.0	0.0	0.0	546,835	555,000	555,000	555,000
Total Personal Services	101.3	97.0	97.0	97.0	4,641,710	4,656,000	4,656,000	4,656,000
NonPersonal Services								
Supplies					8,138	27,000	27,000	27,000
Energy					0	0	0	0
Communications					0	0	0	0
Building Rent					0	0	0	0
Other Services & Charges					17,946,168	20,067,000	20,067,000	24,581,000
Subsidies & Transfers					0	0	0	0
Equipment					3,452	94,000	94,000	94,000
Total NonPersonal Services					17,957,758	20,188,000	20,188,000	24,702,000
TOTAL AGENCY	101.3	97.0	97.0	97.0	22,599,468	24,844,000	24,844,000	29,358,000

District of Columbia Court System--Court's Request

Overview

Mission

The mission of the District of Columbia Court System, subject to the direction of the Joint Committee on Judicial Administration in the District of Columbia, is to perform the administrative functions of the District of Columbia Courts.

Description

The D.C. Court System is headed by the Executive Officer, who, subject to the approval of the Joint Committee on Judicial Administration in the District of Columbia, is responsible for the administration of the District of Columbia Courts, including:

1. General personnel policies, including those of recruitment, removal, compensation and training;

2. Accounting and auditing;

3. Procurement and disbursement;

4. Submission of annual budget requests;

5. Development and coordination of statistical and management information systems and reports supporting the annual report of the District of Columbia court system;

6. Liaison with court systems of other jurisdictions;

7. Preparation and publication of the annual report;

8. Consideration and evaluation of the business of the courts and determination of means of improving the administration of justice within the court system;

9. Recommendation to Congress for changes in the organization, jurisdiction, operation and procedures of the courts which are appropriate for legislative actions.

In addition, the Court System provides and administers the court reporting resources of the trial court and oversees the financial aspects of the Criminal Justice Act program.

Budget Summary

The total budget in FY 1994, all of which represents appropriated funds, is $27,660,000 and 97 full-time equivalent (FTE) positions. The adjustments are described in detail as follows:

Mandatory programs and inflationary costs: +$1,641,000. In order to maintain our fiscal year 1993 level of staffing and also meet anticipated expenses associated with currently mandated programs and

existing services, the following increases are required.

- A within-grade funding request for $64,000 is necessary to cover within-grade advancements which are required by law to be given to all eligible employees during fiscal year 1994.

- Effective in 1986, in accordance with the provisions of the Omnibus Budget Reconciliation Act of 1985, new District government employees were required to be enrolled in the Medicare program. Under this program, the Court System must pay an employer's contribution of 1.45 percent of employees gross salary. It is anticipated that in FY 1994, the cost to the Court System will be $35,000, an increase of $6,000 over its budget base.

- The employer's cost of employee health benefits has drastically increased in the past several years. It is anticipated that this trend will continue into fiscal year 1994. Therefore, an increase of $34,000 is needed in fiscal year 1994 to fund this mandatory contribution.

- Under Title 11-1703(c) of the D.C. Code the Executive Officer is to be compensated at the same rate as an associate judge of the Superior Court. In fiscal year 1993, a judicial pay adjustment was statutorily mandated. $4,000 is required to finance this pay adjustment.

- Since October 1989, the non-judicial employees of the District of Columbia Court System have received only one adjustment to their pay schedule (a three and one-half percent increase in January 1992). Title 11-1726 of the D.C. Code prescribes the manner in which the District of Columbia Courts are to establish the compensation rates for their non-judicial employees. One of the standards is to fix rates which are comparable to those paid to federal government employees occupying the same or similar positions or occupying positions of similar responsibility, duty and difficulty. It has become increasingly more difficult to recruit for and, in some instances, retain the more well qualified individuals. An increase of $167,000 is requested in order to provide the Court System's non-judicial employees a five percent pay adjustment, effective January 1994.

- Beginning with fiscal year 1980, the Criminal Justice Act program has operated on a cash basis. The annual payments made during fiscal years 1978, 1979, and 1980 averaged approximately $3,500,000. Payment levels for fiscal years 1981 through 1992 have risen steadily from $4,188,500 to a high of $16,487,000. The Courts anticipate that the dramatic escalation of program payments will continue during fiscal years 1993 and 1994. With the base level of funding for the program in fiscal year 1993 set at $17,522,000, and an expected $18,812,000 in claims in FY 1994, an increase of $1,290,000 is needed. These are not discretionary or controllable costs since representation of indigent defendants is constitutionally mandated and the rates to be paid are statutory. If adequate funding is not provided in fiscal year 1994 to meet payment processing requirements, check issuance will have to be deferred to early fiscal year 1995.

- Beginning in fiscal year 1990, the District of Columbia Courts assumed responsibility for

managing its security requirements resulting in immediate improvements. In fiscal year 1993, the contract for these services is in the amount of $2,256,000. With the fiscal year 1994 contract expected to be increased by approximately three percent, an additional $68,000 is requested.

- Membership in the National Center for State Courts provides the Courts with research and information services, a variety of publications and library services unavailable from any other source. The Center conducts research projects on courts and court related subjects, serves as a valuable technical assistance resource and is a clearinghouse for the exchange of information dealing with court administration practices and procedures. The 1994 formula based assessment for the District of Columbia Courts is proportionately consistent with charges for each of the 50 states and is $8,000 above the funding level contained in the budget base.

Transfer of Department of Administrative Services Responsibility for Janitorial Services, Pest Control, Window Washing, Trash Collection, and Landscaping Services to the D.C. Court System and Request for Additional Authority to Insure Standard Level of Service Is Provided - Transfer of $1,025,000 and Request for Additional Authorization of $150,000.

- Currently, the Department of Administrative Services (DAS) is responsible for janitorial services, pest control, window washing, trash collection and removal, and landscaping for the H. Carl Moultrie I Courthouse and Buildings A, B, and D of the D.C. Court System facilities. Contractual staff are used to provide these services for the main courthouse while DAS employees perform these functions for the satellite buildings.

  In recent years, the Courts have become concerned about the quality and level of these services. In an environment of constrained salary levels, employees need to expect that employers will at least provide clean work stations, sanitary rest rooms, and minimal trash collection. In recent years, the reduced level of funding provided to DAS makes this appear to be an unreasonable expectation. While the agency appears to do the best it can under difficult circumstances, the Courts suffer the consequences of the reductions in their funding. Requests have been made for the Courts to assume a larger financial share of the costs, not to improve quality or expand service, but to insure a "standard level of service" is provided. Landscaping, a basic service responsibility of DAS has been completely eliminated. To insure the grounds survive, the Courts have been required to make arrangements for this DAS responsibility. The Courts have always honored the requests for support, but standard services continue to deteriorate. In FY 1994 the D.C. Courts would like to assume full responsibility for these essential services.

  The D. C. Courts request a transfer of FY 1992 DAS funding with a small additional appropriation that is actually significantly less than recommended by DAS to increase these basic cleaning and landscaping requirements to "standard level of services." By using Court administrative staff to manage the services, the Courts can more efficiently administer these

District of Columbia Court System--Court's Request

services, save overhead costs associated with administering the program, and insure proper facility maintenance. All funds will be used to support the indicated services. Based on discussions with DAS, the actual costs expended during FY 1992 to maintain the Courts' facilities was $1,025,000. DAS has recommended that to provide the necessary services required to maintain the court facilities in an acceptable status, the Courts should request an additional $578,200 above DAS budget support and the FY 1992 costs.

We do not believe such a large appropriation will be necessary. Instead, we request only 25 percent of this amount, or a $150,000 increase to assume these responsibilities.

Therefore, for FY 1994, we request a redirection from the DAS budget of $1,025,000 and an additional appropriation of $150,000, totalling $1,175,000 to assume janitorial, pest control, window washing, trash collection, and landscaping responsibilities for the D.C. Courts.

Table I **Staffing and Funding Detail**

Programs	Staffing (FTE Positions)				Funding			
	FY92 Actual	FY93 Budget	FY93 Revised	FY94 Proposed	FY92 Actual	FY93 Budget	FY93 Revised	FY94 Proposed
D.C. Court System	101.3	97.0	97.0	97.0	22,599,467	24,844,000	24,844,000	27,660,000
Total	101.3	97.0	97.0	97.0	22,599,467	24,844,000	24,844,000	27,660,000
Appropriated Funds	101.3	97.0	97.0	97.0	22,599,467	24,844,000	24,844,000	27,660,000
Federal Funds	0.0	0.0	0.0	0.0	0	0	0	0
Intra-District Funds	0.0	0.0	0.0	0.0	0	0	0	0
Other Funds	0.0	0.0	0.0	0.0	0	0	0	0

District of Columbia Court System--Court's Request

Table II **Appropriated Summary by Expenditure Type**

Expenditure Type	Staffing (FTE)				Funding			
	FY 92 Actual	FY 93 Budget	FY 93 Revised	FY 94 Proposed	FY 92 Actual	FY 93 Budget	FY 93 Revised	FY 94 Proposed
Personal Services								
Regular Pay	93.4	97.0	97.0	97.0	3,843,162	4,098,000	4,098,000	4,307,000
Other Pay	7.9	0.0	0.0	0.0	233,306	0	0	0
Additional Gross Pay	0.0	0.0	0.0	0.0	18,407	3,000	3,000	3,000
Fringe Benefits	0.0	0.0	0.0	0.0	546,835	555,000	555,000	621,000
Total Personal Services	101.3	97.0	97.0	97.0	4,641,710	4,656,000	4,656,000	4,931,000
NonPersonal Services								
Supplies					8,138	27,000	27,000	27,000
Energy					0	0	0	0
Communications					0	0	0	0
Building Rent					0	0	0	0
Other Services & Charges					17,946,168	20,067,000	20,067,000	22,608,000
Subsidies & Transfers					0	0	0	0
Equipment					3,452	94,000	94,000	94,000
Total NonPersonal Services					17,957,758	20,188,000	20,188,000	22,729,000
TOTAL	101.3	97.0	97.0	97.0	22,599,468	24,844,000	24,844,000	27,660,000

HIGHLIGHTS OF COURT SYSTEMS REQUEST

Mr. DIXON. Mr. Hammond, if there is anything you would like to tell us about the Court System and its functions at this point in time, now is your opportunity.

Mr. HAMMOND. Thank you, Mr. Chairman and Members of the subcommittee.

I am pleased to appear before you again today to address the budget request for the District of Columbia Court System for fiscal year 1994. I would like to, Mr. Chairman, if I may, highlight three areas of our budget. And that would be the CJA program, the security area, and the maintenance request.

The Court System performs the administrative functions of the D.C. courts. And the Court Systems' budget consists of the Fiscal Office, the Executive Office, the Social Services Division, the court reporting and reporting services, and the Criminal Justice Act program.

Being very mindful, Mr. Chairman, of the serious fiscal situation that is facing not only our Nation but the District government, the Court System is requesting funding for a no-growth budget. There is a carefully scrutinized budget. It includes no new programs and no new additional positions.

To maintain existing operations, the Court System seeks, as you just have stated, $27,660,000, an increase from fiscal year 1993 of $2.6 million. The increase is a result of mandatory cost such as within grades; the medicare and health benefits costs—which is one of the fastest growing areas of our budget—and pay adjustments, court security, payments to attorneys for indigent counsel and custodial services.

The court appreciates the Council's and the District of Columbia's support in approving the budget request for the criminal justice program and the Council's inclusion of the Court System's other budget needs in the additional Federal payment request for public safety initiatives.

CRIMINAL JUSTICE ACT INDIGENT COUNSEL PROGRAM

But in the area of the Criminal Justice Act program, which is the greatest portion of the Court System's budget, we are requesting and have requested $1,290,000 for the Criminal Justice Act payments. This amount is requested to meet the minimum needs of providing legal and investigative services for indigent defendants.

The base level of funding for the CJA program was $17.5 million. The court expects that in fiscal year 1994 the claims will rise to $18.8 million. To satisfy the increase in claims an additional $1,219,000 is requested.

As you are aware, Mr. Chairman, this is not a discretionary request. The District of Columbia Code requires that representation be provided for indigent defendants, and the rates of payment are established by statute.

Insufficient funding in fiscal year 1994 will result in payments to attorneys being deferred until fiscal year 1995.

COURT SECURITY

In the security area, maintaining adequate levels of security court facilities for those who work and use the courts is a critical need. In fiscal year 1990, with the support of this committee, District of Columbia courts assumed responsibility for managing its security resulting in immediate and noticeable improvements in the security of the D.C. courts.

However, because of the current state of violence, protest, and witness intimidation in our city, security remains a serious concern at the D.C. Courts. To maintain the present level of security provided by the United States Marshal Service, an additional $68,000 is requested. This represents the 3 percent increase in the labor costs that we experience on an annual basis.

CUSTODIAL AND MAINTENANCE SERVICES

And another area that is very critical to the courts is the area of maintenance service, as you are well aware also. The Department of Administrative Services is currently responsible for providing janitorial services, pest control, window washing, trash collection and removal, for the court facilities. In recent years, the courts have been increasingly concerned about the quality of these services. The reduced level of funding provided to DAS has seriously impacted the cleanliness and sanitary conditions of the courts and its facilities.

While DAS appears to be doing the best job it can, the public suffers the consequence of reduced funding in this area. The courts have assumed a larger and larger portion of the costs of maintenance services, not to improve quality but to ensure that a standard level of services is provided in the D.C. courts. DAS has ceased to provide any landscaping services to the courts, along with any pest control service as well.

RESPONSIBILITY FOR CUSTODIAL AND MAINTENANCE SERVICES

In fiscal year 1994, the District of Columbia Courts are requesting to assume complete responsibility of these essential services. The court——

Mr. DIXON. Why?

Mr. HAMMOND. Simply because, Mr. Chairman, we feel as though we can do a better job——

Mr. DIXON. A better job. Okay.

Mr. HAMMOND [continuing]. Of cleaning our facilities and monitoring the cleaning of our facilities, which are in a deplorable state.

Mr. DIXON. How would you do it?

Mr. HAMMOND. Through contracts, Mr. Chairman.

We feel as though we would use existing staff to manage that contract as well.

Mr. DIXON. Okay.

ESTIMATED COST OF PROVIDING CUSTODIAL AND MAINTENANCE SERVICES

Mr. HAMMOND. The courts request a transfer of DAS funding at the fiscal year 1992 level with a minimal additional appropriation,

that is significantly less than was requested or recommended by the Department of Administrative Services, to bring our cleaning and landscaping services to a standard level. The use of court administrative staff to manage these services will result undoubtedly in more efficient management and reduction of overhead costs.

All the funds requested will be used for maintenance of court buildings and grounds. The Department of Administrative Services has advised that $1 million was expended in fiscal year 1992. We are requesting that that same amount be redirected to the courts in fiscal year 1994.

DAS has recommended that, in order to bring the courts up to a standard level of service, they would request an additional $578,000. We didn't agree with that analysis and are only asking for 25 percent of that amount, $150,000 to bring the courts up to standard level of services.

[The following was subsequently supplied for the record:]

MEMORANDUM

TO: Americo Miconi
Committee on Appropriations
U.S. House of Representatives

FROM: Ulysses B. Hammond
Executive Officer

DATE: August 26, 1993

SUBJECT: Redirection of Maintenance

Currently, the Department of Administrative Services (DAS) is responsible for janitorial services, pest control, window washing, trash collection and removal, and landscaping for the H. Carl Moultrie I Courthouse and Buildings A, B, and D of the D.C. Court system facilities.

In recent years, the Courts have become concerned about the quality and level of these services. In an environment of constrained salary levels, employees need to expect that employers will at least provide clean work stations, sanitary restrooms, and minimal trash collection. In recent years, while DAS appears to do the best it can under difficult circumstances, the Courts suffer the consequences of reductions in service delivery. The Courts have had to assume a larger financial share of the cost of maintenance to insure a "standard level of service" is provided. Even though the Courts have always responded to DAS requests for support, standard services continue to deteriorate.

In FY 1994 the D.C. Courts would like to assume full responsibility for these essential services. By using Court administrative staff to manage the services the Courts can more efficiently administer these services save overhead costs associated with administering the program, and insure proper facility maintenance. Based on discussions with DAS, the actual expenditure during FY 1992 to maintain the Courts' facilities was $1,025,000 and 11 full-time equivalent positions for the maintenance of Buildings A, B and D. The Department has agreed to a redirection of these resources to the Courts. Therefore, for FY 1994, the Courts have requested a redirection from the DAS budget $1,025,000 and 11 full-time equivalent positions. The recommended language for insertion into the Governmental Direction and Support section of the District's Operations Budget to implement the transfer follows:

> Provided further, that $1,025,000 and 11 full-time equivalent positions shall be redirected from the Department of Administrative Services to the District of Columbia Court System for janitorial services, pest control, window washing, trash collection and removal, and landscaping.

OFFICE SPACE FOR PUBLIC DEFENDER

Mr. DIXON. Let me ask you about the office space issue for the public defender. Has that been resolved?

Mr. HAMMOND. It has not been resolved.

Mr. DIXON. The public defender's office is now shopping around for space in close proximity to the courthouse. They were going to go out and lease some space.

Is that your understanding?

Mr. HAMMOND. That is my understanding. That is something that has been taking place——

Mr. DIXON [continuing]. For at least two years. And there is no room in the courthouse for them?

Mr. HAMMOND. Absolutely not.

Mr. DIXON. But the city has not provided satisfactory space, at least as far as the public defender's office is concerned?

Mr. HAMMOND. Attempts have been made to find adequate District-owned space within close proximity to the courts.

Mr. DIXON. Right. Okay.

Anything else you would like to tell us about? I didn't mean to interrupt you, but I was hoping you would tell us about the public defender office space situation.

Mr. HAMMOND. That, basically, concludes my statement Mr. Chairman. I would just ask that this Committee act favorably upon our request.

FUNDING OF NONJUDICIAL PAY INCREASE

Judge ROGERS. Mr. Chairman, I would like to make one point in terms of the additional payment that is being requested by the courts and that was supported by the Council.

Mr. DIXON. Go right ahead.

Judge ROGERS. That includes a request for funding of about $2 million for a nonjudicial employee's pay increase.

In the city budget, there is a provision for a 5 percent cost of living for all D.C. employees except the courts. We are requesting that our nonjudicial employees get the same increase.

In addition to the mandatory costs—to provide current employees within grade increases, health benefits and the like—there is $2 million that we are requesting that we think is important. There is no justification for our employees not receiving a cost of living increase.

Mr. DIXON. This would not include judges; it would be for court personnel?

Judge ROGERS. This is only for nonjudicial employees.

JANUARY 1992 NONJUDICIAL PAY INCREASE

Mr. DIXON. Let me just say that it is my understanding that your employees—the court's nonjudicial employees—received a 3.5 percent cost of living pay raise effective the first full pay period in January, 1992 that other District employees did not receive because of the pay freeze and furlough days included in the District's fiscal year 1993 budget request to the Congress.

Mr. Walsh, any questions of any of the three witnesses?

Mr. WALSH. Not at this time, Mr. Chairman.

CLOSING REMARKS

Mr. DIXON. I have no further questions of any of the three of you.

Mr. Hammond, I assume if the Committee is interested in fulfilling any one of these three requests you would be a resource person we could call on to talk about whether its the additional pay item or any of the other alterations?

Mr. HAMMOND. Yes, sir.

Mr. DIXON. Mr. Bonilla.

Mr. BONILLA. Mr. Hammond, I have no further questions. Thank you, Mr. Chairman. Thank you, Judge.

Mr. DIXON. Judges, thank you very much. Mr. Hammond, thank you. Good seeing you, Judy.

QUESTIONS FOR THE RECORD

Mr. Hammond, I have a question that I will submit for you to answer for the record.

[The Committee's question and the Court System's response follow:]

D.C. COURT SYSTEM

QUESTION:
1. You have proposed that the Courts take over control of its janitorial service needs. Why is the current arrangement no longer satisfactory?

ANSWER:
1. The courts have become concerned about the quality and level of services provided by the Department of Administrative Services (DAS). In an environment of constrained salary levels, employees need to expect that employers will at least provide clean work stations, sanitary restrooms, and minimal trash collection. In recent years, the reduced level of funding provided to DAS makes this appear to be an unreasonable expectation. While the agency appears to do the best it can under difficult circumstances, the Courts suffer the consequences of the reduction in DAS funding. Requests have been made for the Courts to assume a larger financial share of the costs, not to improve quality or expand service, but to insure a "standard level of service" is provided. Landscaping, a basic service responsibility of DAS, has been completely eliminated. To insure the grounds survive, the Courts have been required to make arrangements for this DAS responsibility. The Courts have always honored the requests for support, but standard services continue to deteriorate. In FY 1994 the D.C. Courts would like to assume full responsibility for these essential services.

In order to provide a sufficient level of services, the Courts are requesting that the DAS budget base for these expenses ($1,025,000) be permanently transferred to the Court System's appropriated accounts and that an additional $150,000 be provided to adequately address these needs.

WEDNESDAY, JUNE 9, 1993.

PUBLIC EMPLOYEE RELATIONS BOARD

WITNESSES

MADELYN SQUIRE, CHAIRPERSON
MARGARET P. COX, EXECUTIVE DIRECTOR
MELVIN DUNBAR, DEPUTY EXECUTIVE DIRECTOR
PAT WALLER, ADMINISTRATIVE OFFICER

Mr. DIXON. Next we have the Public Employee Relations Board. The Executive Director, Margaret P. Cox, and the chairperson Madelyn Squire, are not here yet.

Ms. SQUIRE. That is me.

Mr. DUNBAR. We are waiting for Margaret P. Cox.

FUNCTIONS OF PERB

Mr. DIXON. We have with us the Public Employee Relations Board. I am going to read into the record what their functions are. It is a five-member independent board established in the D.C. Comprehensive Merit Personnel Act of 1978; the Board determines bargaining units; certifies and decertifies labor organizations as exclusive bargaining representatives; decides unfair labor practice charges and takes remedial action when warranted; determines whether or not impasses in negotiations exist and invokes impasse procedures when appropriate; considers appeals of arbitration awards under proper statutory circumstances; determines whether negotiation items are statutorily legal subjects for bargaining; and investigates complaints about standards of conduct for District employee labor organizations.

INTRODUCTION OF WITNESSES

We have with us Madelyn Squire, the Chairperson of the Public Employee Relations Board, and the Executive Director, Margaret P. Cox.

PREPARED STATEMENT OF PERB CHAIRPERSON

If you have a prepared statement, I would be pleased to receive it for the record at this point.

[The prepared statement referred to follows:]

OPENING STATEMENT OF THE PUBLIC EMPLOYEE RELATIONS BOARD

HEARING ON THE FISCAL YEAR 1994 BUDGET
BEFORE THE COMMITTEE ON APPROPRIATIONS,
SUBCOMMITTEE ON DISTRICT OF COLUMBIA
HOUSE OF REPRESENTATIVES

June 9, 1993

Good afternoon Chairman Dixon and Committee members. I am Madelyn Squire, Chairperson of the Public Employee Relations Board. With me today are Ms. Margaret Cox, the Executive Director and Mrs. Yvonne Waller, the Board's Administrative Officer.

The Public Employee Relations Board appreciates this opportunity to provide the Committee with information concerning its FY 1994 budget request.

As a quasi-judicial independent agency, the Board is responsible for the impartial resolution of labor-management disputes in the District government pursuant to the D.C. Comprehensive Merit Personnel Act of 1978. The Board is charged with the exclusive authority to determine appropriate bargaining units, to certify and decertify labor organizations as employee bargaining agents, to adjudicate unfair labor practice complaints and order appropriate remedial action where warranted, to facilitate the resolution of impasses in contract negotiations, to determine what matters are within the scope of collective bargaining and to review grievance arbitration awards under the proper statutory circumstances. The Board is also authorized to subpoena testimony, conduct hearings, seek judicial enforcement of its orders and to retain independent legal counsel to represent its interests.

The Board's FY 1994 request is for $596,000. This request is based on the projected costs expended primarily for non-personal services. Due to the continued increase in the number and complexity of cases being appealed to the courts, the Board has been compelled to pay substantial attorney fees to defend its decisions and orders. For example, a single lawsuit in which PERB was one of the defendants resulted in the agency's payment of fees in excess of $100,000. Although the Board prevailed in the litigation, the staggering fees and related costs had an enormous impact upon our budget.

The Board, unlike other agencies, cannot utilize the services of the Office of Corporation Counsel, since that office often represents agencies in litigation involving the Board's final decisions and orders. If the Board is unable to retain Counsel due to insufficient operational funds, its orders will not, where necessary, be enforced and final decisions of the Board will be reversed with no consideration of the relative merits.

In order to meet the continual demand upon the Board's limited resources, we believe that the 1994 budget request will allow us to continue to engage the services of hearing examiners on an ad hoc contractual basis at a per diem rate of $350.77, which is equivalent to DS-15, step 10.

Similarly, an increased operational budget would enable the Board to hire a General Counsel on either a part-time or full-time basis. A staff General Counsel, a position common to most state and city labor relations agencies, would allow the Board to rely less upon the services of our ad hoc counsel and thus defray some of the costs expended for legal representation.

Due, in part, to the lengthy transition period of new Board appointments, there is currently a backlog of twenty-three (23) cases and our monthly intake of cases has increased dramatically during the city-wide negotiations for the 1990-1993 contract term. Since the majority of these cases will require a hearing on the relevant facts and issues, the Board's 1994 Budget request is critical in accomplishing the agency's mandate and maintaining the level of effectiveness and efficiency practiced in previous fiscal years. Moreover, contract negotiations for the 1993 - 1996 term are scheduled to commence during the Spring of 1993.

Finally, the Board's 1994 budget request will enable it to pay the substantial increase in rental payments at our present location.

Since the Board is committed to the goal of fostering positive, productive labor-management relations, and we believe that these objectives are shared by the District government, its employees and labor organizations, we have three priorities in FY'94 that our budget request will hopefully accommodate. First, the Board intends to propose additional rulemaking for the purpose of more efficient casehandling; secondly, the Board intends to initiate legislative reform to the CMPA and finally, but most importantly, the Board desires the establishment of on-going labor-management training and to sponsor the first labor-management conference, highlighting issues of concern to the District, its labor unions and employees.

Again, thank you for the opportunity to provide you with this information. We will be happy to respond to any questions.

Public Employees Relations Board

Agency Overview

Mission

The mission of the Public Employee Relations Board is the impartial and satisfactory resolution of labor-management disputes in the District government through review and arbitration by an objective and independent body.

Agency Description

The Board's functions include determining appropriate bargaining units; certifying and decertifying labor organizations as exclusive bargaining representatives; deciding unfair labor practice charges and taking the appropriate remedial action where warranted; determining whether or not impasse in negotiations exist and invoking impasse procedures when appropriate; considering appeals of arbitration awards under proper statutory circumstances; determining whether negotiation items are statutorily legal subjects for bargaining; and investigating complaints about standards of conduct for District employees' labor organizations.

Agency Budget Summary

FY 1994: The appropriated request for FY 1994 is $541,000 and 4 full-time equivalent (FTE) positions, an increase of $13,000 over the revised FY 1993 request and an increase of $47,000 over the approved FY 1993 budget.

FY 1993: The revised FY 1993 appropriated request is $528,000 and 4 FTEs, a net increase of $34,000 over the approved budget, with no change in FTE positions.

Major changes include the following:

- An increase of $100,000 in FY 1993 Revised and FY 1994 for building rent to fund the rent increase at 415 12th Street, N.W., Washington, D.C.
- A reduction of $10,000 in FY 1993 for employee furlough savings.
- A reduction of $2,000 for savings from the cancellation of step increases in FY 1993.
- An increase of $1,000 in health benefits in FY 1993 for the period January 1, 1993 through September 30, 1993 and an increase of $2,000 for FY 1994.
- A reduction of $54,000 in contractual services and $1,000 in supplies in FY 1993 and FY 1994.

Budget Strategy and Impacts

Strategy: The workload and service demands of the Board will continue in FY 1993 and FY 1994 at current levels. The FY 1993 revised and FY 1994 budget requests will allow the Board to hire hearing examiners on an as-needed contractual basis. The hearing examiners will provide the support needed to resolve the Board's case backlog.

Public Employees Relations Board

Impact: The funding level requested will allow the Board to continue resolution of labor-management disputes and various aspects of litigation involving appeals of the Board's decisions and orders to the D.C. Superior Court, D.C. Court of Appeals, and the federal courts. Employee furloughs in FY 1993 will slow up the processing of cases before the Board.

Table I **Agency Staffing and Funding Detail**

Programs	Staffing (FTE Positions)				Funding			
	FY92 Actual	FY93 Budget	FY93 Revised	FY94 Proposed	FY92 Actual	FY93 Budget	FY93 Revised	FY94 Proposed
Public Employees Relations Board	4.1	4.0	4.0	4.0	426,701	494,000	528,000	541,000
Total Agency	4.1	4.0	4.0	4.0	426,701	494,000	528,000	541,000
Appropriated Funds	4.1	4.0	4.0	4.0	426,701	494,000	528,000	541,000
Federal Funds	0.0	0.0	0.0	0.0	0	0	0	0
Intra-District Funds	0.0	0.0	0.0	0.0	0	0	0	0
Other Funds	0.0	0.0	0.0	0.0	0	0	0	0

Table II **Agency Outputs**

Measures	FY 1991	FY 1992	FY 1993	FY 1994
Arbitration appeal cases	7	10	15	20
Impasse cases	12	15	20	23
Representation cases	19	25	30	35

Public Employees Relations Board

Table III **Agency Appropriated Summary by Expenditure Type**

Expenditure Type	Staffing (FTE)				Funding			
	FY 92 Actual	FY 93 Budget	FY 93 Revised	FY 94 Proposed	FY 92 Actual	FY 93 Budget	FY 93 Revised	FY 94 Proposed
Personal Services								
Regular Pay	4.1	4.0	4.0	4.0	173,182	174,000	162,000	174,000
Other Pay	0.0	0.0	0.0	0.0	0	0	0	0
Additional Gross Pay	0.0	0.0	0.0	0.0	0	0	0	0
Fringe Benefits	0.0	0.0	0.0	0.0	25,363	29,000	30,000	31,000
Total Personal Services	4.1	4.0	4.0	4.0	198,545	203,000	192,000	205,000
NonPersonal Services								
Supplies					928	2,000	1,000	1,000
Energy					0	0	0	0
Communications					3,901	4,000	4,000	4,000
Building Rent					31,062	39,000	139,000	139,000
Other Services & Charges					192,264	246,000	192,000	192,000
Subsidies & Transfers					0	0	0	0
Equipment					0	0	0	0
Total NonPersonal Services					228,155	291,000	336,000	336,000
TOTAL AGENCY	4.1	4.0	4.0	4.0	426,700	494,000	528,000	541,000

BUDGET REQUEST OF PERB

I would point out that you are requesting $541,000 and four positions for fiscal year 1994, which is an increase of $47,000 above the FY 1993 enacted level. You are also requesting a supplemental of $34,000 for FY 1993, which will increase your budget for FY 1993 to $528,000.

ISSUES RELATED TO COLLECTIVE BARGAINING

Let me tell you why I asked you to come up, and it has to do with determining whether negotiation items are statutorily legal subjects for collective bargaining.

There is a court case dealing with the furlough issue and when Josh Williams appeared before us as a public witness, his testimony led me to believe that this issue is still up in the air as it relates to fiscal year 1993. Am I correct in assuming that this issue is under your jurisdiction? I am looking for his testimony at the moment. My second question is what is the status of collective bargaining for fiscal year 1994? Is that a little fuzzy to you?

Ms. COX. I think generally I have an idea of what you are looking for.

Mr. DIXON. Quite frankly, I was really interested in the furlough case and I am really interested in this issue, but I guess this morning it is too early for me and I have to refresh my memory on the issue.

Go ahead, Miss Cox.

Ms. COX. With respect to the court case I am sure you are aware we are not litigants or parties in that.

Mr. DIXON. I understand.

FURLOUGH CASES BEFORE PERB

Ms. COX. However, there were four what we will call furlough cases filed before the Public Employee Relations Board during fiscal year 1993. Two of those cases have been resolved and a final determination issued by the board which provided for a remedy to the complainants, the labor organizations that filed. Specifically they allege that the District, by unilaterally implementing a furlough of 12 days during the current fiscal year, had violated the Comprehensive Merit Personnel Act and also by refusing and failing to negotiate with the unions over the impact of those implemented furloughs.

We found specifically with regard to the letters that, in fact, the city had committed an unfair labor practice by failing and refusing to bargain with the labor organizations regarding the impact of the furloughs upon employee working conditions.

Mr. DIXON. So, in essence, you found in favor of the union or the collective bargaining agreement?

Ms. COX. Well, not with respect to the collective bargaining agreements, but we did find in favor of the union; that is correct.

Mr. DIXON. And then what happened next?

Ms. COX. Let me give you the current status of those cases. Two cases were decided by the board, and the other two were withdrawn. The current status is that the remedy the board imple-

mented is we requested or ordered the parties to negotiate upon request the impact and implementation of the furlough and to notify the board of the status of those negotiations within 30 days of the commencement of any negotiations regarding that request. It has been about four months since the board issued its opinion on March 1 in the first furlough case, and to date we have heard nothing from the parties with regard to any negotiations.

STATUS OF FY 1994 COLLECTIVE BARGAINING

As far as the FY 1994 collective bargaining, the parties are due to commence that this summer. As of September 30, 1993, most of the collective bargaining agreements will expire.

Mr. DIXON. Do you know the amount that has been included in the District's budget in anticipation of the collective bargaining agreements?

Ms. COX. I do not. You see, most of what we call the compensation bargaining unit would cover approximately a little less than 30,000 of the organized employees in the city. However, there are also other compensation units that simultaneously negotiate agreements, so what the total package is I would really have no idea.

Mr. DIXON. And when will that process start for fiscal year 1994.

Ms. COX. As far as bargaining?

Mr. DIXON. Yes.

Ms. COX. I would suspect any day now. They are still trying to conclude, unfortunately, their negotiations for 1990 through 1993, as I understand it, and let me make it clear that the board does not closely monitor negotiations.

Mr. DIXON. Right.

Ms. COX. The parties are free under the statute to meet and bargain and in the event they become deadlocked on any issue they seek our assistance in resolving that impasse.

AMOUNT BUDGETED FOR PAY ADJUSTMENTS

Mr. DIXON. There is $70,680,000 budgeted for pay adjustments.

Ms. COX. Seventy million.

Mr. DIXON. $70,680,000.

Ms. COX. I believe I have heard that figure, I guess, set aside for salary adjustments.

Mr. DIXON. Mr. Walsh.

Mr. WALSH. No questions, Mr. Chairman.

Mr. DIXON. Mr. Bonilla.

Mr. BONILLA. Thank you, Mr. Chairman. No questions at this time.

STATUS OF FURLOUGH CASES

Mr. DIXON. You say the two cases for fiscal year 1993 have been dropped?

Ms. COX. Two cases were withdrawn and that was subsequent to the board's determination in the first two furlough cases, which was favorable to the union.

Mr. DIXON. And what is the status of the other two?

Ms. COX. The other two were recently withdrawn. We had scheduled them for a hearing and just short of actually going forward with that hearing, the parties decided to withdraw those two cases.

Mr. DIXON. Ms. Squire, if you have anything you would like to add or any statement you would like to make, we would be pleased to hear you at this time.

Ms. SQUIRE. I have no statement to make unless there are questions.

Mr. DIXON. Unless we have questions. All right, I want to thank you ladies for coming up.

INTRODUCTION OF STAFF

The gentleman with you was not introduced.

Ms. COX. Sorry, this is Mel Dunbar, the Deputy Executive Director.

Mr. DIXON. Mr. Dunbar.

Ms. COX. Pat Waller is also with us.

Mr. DIXON. Okay.

FOLLOW-UP TO EARLIER TESTIMONY

Well, Miss Cox, I may call you and ask you some questions about this. I am really not in focus on this today, but I have a feeling that once you leave the room I am going to figure out specifically what Josh Williams said that triggered my request that you come up.

Ms. COX. Are you referring to the testimony of Joslyn Williams?

Mr. DIXON. Yes.

ROLE OF OFFICE OF LABOR RELATIONS

The collective bargaining negotiations by the District are conducted by?

Ms. COX. Well, they are conducted among themselves between the labor organizations and the Office of Labor Relations and Collective Bargaining.

Mr. DIXON. The Office of Labor Relations.

Ms. COX. Let me explain, though, the Office of Labor Relations and Collective Bargaining represents the agencies that are under the Mayor's direct personal authority. The University of the District of Columbia, D.C. General Hospital, the D.C. Library and various other commissions are separately constituted and therefore not included in that group. But it is the Office of Labor Relations and Collective Bargaining that has the primary responsibilities.

Mr. DIXON. And I gather from what Justice Rogers was saying——

Ms. COX. The courts are separate.

Mr. DIXON. The courts are separate as well.

Ms. COX. That is right.

Mr. DIXON. Okay, thank you, ladies and gentlemen for your testimony here today.

Ms. COX. Thank you. If we can answer any more questions we will be happy to.

Mr. DIXON. I may call you. Thank you, Miss Cox.

WEDNESDAY, JUNE 9, 1993.

D.C. RETIREMENT BOARD

WITNESSES

JAMES TYDINGS, CHAIRMAN
JEANNA CULLINS, EXECUTIVE DIRECTOR
JORGE MORALES, DEPUTY EXECUTIVE DIRECTOR
SHELIA MORGAN JOHNSON, ASSISTANT EXECUTIVE DIRECTOR FOR FINANCE
MARTIN PFEIFER, REPRESENTING ACTIVE POLICE OFFICERS
RALPH STEPHENS, REPRESENTING ACTIVE D.C. FIREFIGHTERS
MARTHA ROGERS, REPRESENTING RETIRED TEACHERS

BUDGET REQUEST D.C. RETIREMENT BOARD

Mr. DIXON. Next we have with us the D.C. Retirement Board and the Chairman, Mr. James Tydings, and the Executive Director, Jeanna Cullins.

The Mayor and Council are requesting that the Board's entire budget of $10,801,000 and 14 positions for fiscal year 1994 be funded from investment income. The request reflects a net increase of $509,000 above the fiscal year 1993 enacted appropriations and no change in the number of positions.

The Board, on the other hand, requests that its entire budget of $10,801,000 and 14 positions be funded from the District's general fund.

PREPARED STATEMENT OF BOARD CHAIRMAN

If you have a prepared statement for the record, we would be pleased to receive it at this time.

Mr. TYDINGS. I have a short prepared statement and one for the record.

[Mr. Tydings prepared statement follows:]

STATEMENT OF JAMES A. TYDINGS
D.C. RETIREMENT BOARD
BEFORE THE
COMMITTEE ON APPROPRIATIONS
U.S. HOUSE OF REPRESENTATIVES
DISTRICT OF COLUMBIA SUB-COMMITTEE

June 9, 1993

Mr. Chairman and members of the District of Columbia Sub-Committee, House Appropriations Committee, my name is James Tydings. As the Chairman of the D.C. Retirement Board, I welcome this opportunity to discuss with you the Board's Fiscal Year 1994 Operating Budget request as well as provide the Sub-Committee with a brief progress report on the Board's management of the Funds.

Accompanying me today at the witness table are: Martin Pfeifer, the Metropolitan Police Officers' representative; Martha Rogers, the Retired Teachers' representative; Jeanna Cullins, the Board's newly appointed Executive Director; Jorge Morales, the Board's Deputy Executive Director; and Sheila Morgan-Johnson, the Board's Assistant Executive Director for Finance.

Now, with the Sub-Committee's indulgence, I will bring you up to date on the Board's progress, development and management of the Retirement Funds before presenting the funding request.

As you know, the District of Columbia Retirement Board was established on November 17, 1979 pursuant to the District of Columbia Retirement Reform Act and is charged with the duty to manage and control the pension Funds of the District's police officers, firefighters, teachers and judges.

The Board, as a whole, is an independent agency of the government of the District of Columbia vested with the exclusive authority and discretion, subject to the Act, to manage and control the Funds on an actuarially sound basis. From inception through 1992, the Board has been comprised of eleven members. However, on March 16, 1993, D.C. Law 9-201 became effective and increased the Board's membership to thirteen. The two additional Boardmembers are to be appointed by the Council of the District of Columbia and the Joint Committee on Judicial Administration of the District of Columbia, respectively. The Council

appointee is required to have "professional experience in banking, insurance, or investment industry", and the judicial appointment is required to be a retired judge.

Since its inception, the Board has operated under a committee system thereby providing a two-tiered process for fiduciary review and analysis. In this manner, the Board, consistent with its fiduciary duties, thoroughly and comprehensively reviews all issues coming before it. The Board currently has seven (7) standing committees (Administration, Benefits, Investment, Legislative, Operations, Minority Participation, and Search and Selection).

Board decisions are implemented by an in-house staff which has grown and developed from a two-person office in 1981 to fourteen authorized positions today. The Board currently enjoys in-house accounting, benefits, investment and legal capabilities. These capabilities are further enhanced by the retention of outside consultants who work closely with the in-house staff. The outside consultants include: a master trustee, thirty investment managers, two investment consultants, an actuary, an auditor, and outside legal counsel.

In the consulting service arena, the Board engaged the services of the consulting firm Hamilton Lane Advisors, Inc. to provide advice for the Board's non-traditional investments. Concurrent with Hamilton Lane's appointment, the Board approved formal alternative investment guidelines to which its alternative investment managers would be held.

From an operational stand point, the Board implemented several programs over this past year, designed to enhance the overall management and efficiency of the agency. These actions included a management and organizational audit, as well as a search for a new Executive Director.

Further, in an effort to focus attention on the Fund's unfunded liability, the Board initiated a series of workshops to educate all affected parties. As we have indicated in prior hearings before the Sub-Committee, one of, if not the most critical problem facing the Board, and indeed the city as a whole, is the elimination of the Funds' unfunded liability. The problem did not develop overnight, and there is no quick and easy answer to this dilemma. But, I can assure you Mr. Chairman, under the

present statutory framework, it is indeed a "ticking time bomb".

When Congress passed the Retirement Reform Act in November 1979, responsibility for the fiscal management of the Funds was delegated to the District of Columbia. Unfortunately, prior to the Retirement Reform Act, only revenues sufficient to address current annual pension payments were provided. No funds were invested and no provisions were made for projected future payment liabilities. Consequently, the District inherited three pension plans with massive unfunded liabilities of over $2.2 billion!

Under the Retirement Reform Act, Congress accepted responsibility for only 80% of the unfunded liability for service retirements prior to Home Rule in 1975; 33 1/3% of the unfunded liability for disability retirements prior to Home Rule, and no responsibility for service or disability retirements after Home Rule, even for those members hired prior to Home Rule, pursuant to demands by Congress.

To meet these responsibilities, Congress authorized an annual appropriation of $52.7 million, through Fiscal Year 2004; and legislatively decreed the remaining obligation to be the District's responsibility.

However, as the legislative history of the Retirement Reform Act makes clear, Congress was aware when they drafted the legislation that their payments were insufficient to cover even the liabilities they had accepted responsibility for.

It should further be noted that, as a result of Gramm-Rudman, the 1989 Federal payment to the Funds was reduced by $2 million in 1989, and $1 million in 1990. (The 1990 amount was restored when Gramm-Rudman did not take effect.) Such reductions further increased the Funds' unfunded liability and the Board has no assurances that additional reductions might not occur in the future.

According to the Board's actuarial valuation prepared January 15, 1993, the statutorily defined unfunded liability as of Fiscal Year 1992 remained relatively stable at about $4.3 billion. The projected unfunded liability for Fiscal Year 2004 is amost $7.0 billion! The Retirement Reform Act stipulates that beginning in Fiscal Year 2005 the District must begin paying the normal cost and all of the interest on the unfunded liability.

Clearly this would be a catastrophic occurance that can not be permitted to come to fruition.

In November 1990, the Rivlin Commission Report echoed our concerns and warnings, and noted that the District must develop and implement a sound funding policy now or face a situation requiring "substantial new revenues or drastic custs in City services or both."

As I noted, in October of this past year, the Board decided to conduct a series of workshops on the unfunded liability to educate all affected parties on this matter. While we did not see ourselves as such a party, we did believe that we were in a position, and had the expertise, to become a catalyst and facilitator to the process. Accordingly, on November 13, and December 4 and 17, 1992, workshops were held at the Board's office. Congressional and GAO staffers, Mayoral, Council and beneficiary representatives, and Board members all attended.

The workshops were intended to lay the educational foundations for subsequent concerted efforts by the affected parties. And in fact, following the workshops, the affected parties formed a "working group" which met in early January to begin fashioning a viable solution. Since then, the working group has met on a regular basis and has its last meeting scheduled for May 21, 1993. At that time it is our understanding that it will offer its recommendations to the District's Mayor and Council. As always, the Board is prepared to offer technical advice and assistance throughout.

Through the implementation of its long-term portfolio diversification strategy, the Board has enjoyed annual returns consistently above the norm while maintaining a conservative risk exposure. As a result, the assets of the Funds are currently in excess of $2.4 billion dollars. Further, in the implementation of its investment programs and strategies, the Board has established itself in the forefront of modern public pension funds management.

Prior to fiscal year 1990, the Board's asset allocation structure had been relatively conservative with respect to other public funds. This conservatism emanated from uncertainty as to the impact of South African divestiture on the volatility of the total portfolio and the historical precedent of public funds not being overweighted in equities. Within

these parameters, the Board's investment objective was to preserve the purchasing power of the Fund's assets while achieving a long-term rate of return that exceeded inflation.

Subsequently, the Board reviewed its investment time horizon and determined that a shift in risk would increase total portfolio returns over time. Accordingly, a revised asset allocation study was developed by Callan Associates, the Board's consultant, which called for a reduction in the Board's real estate and fixed-income asset allocation targets, and an increase in its equity target.

This fiscal year, the Board also adopted a more aggressive asset allocation policy designed to generate investment returns that would place the Board in the top quartile (25%) of all public pension plans. The Board implemented its asset allocation structure through the modification of its selection criteria for investment managers, and requiring them to perform in the top quartile of their respective peer style groups. Further, through the use of a "cash sweep" program, the Board ensured that the maximum amount of funds available for investment would in fact be invested.

Concurrently, the Board decided to no longer consider cash as a strategic asset in its long term investment program. Consequently, cash allocations, which had ranged from a high of 10% to a low of 3%, would only be maintained at the minimum level needed to pay current benefit obligations and administrative expenses.

The restructuring of the Board's long-term asset allocation policy necessitated several other significant changes. In particular, the Board decided to diversify its passive Pacific Basin portfolio into an active portfolio which included the emerging markets. The Board also adopted a "regional style" for the European markets, and just this past year, restructured the Board's fixed-income portfolios in order to increase the "global" component.

The Board has also implemented various performance enhancement and income generating strategies. It implemented a Securities Lending Program with its master custodian, State Street Bank & Trust Company. This program permits the Board to earn relatively risk free incremental income from lending its securities without altering the overall

management process.

The Board also employs an Option Overwriting Program to conservatively sell options (on securities held in the Board's portfolio) that are defined to expire unexercised. This program generated over $18.6 million in 1992. In addition, the Board adopted a Rebalancing Program. The Board recognized that fluctuations in the financial markets, and receipt of additional cashflows, could result in the actual asset mixes deviating from their targeted levels. Pursuant to the Rebalancing Program, cash is periodically deployed at semi-annual intervals to the under-allocated asset classes to correct such imbalances.

An integral part of the Rebalancing Program involves the holding of the excess cash awaiting deployment in an investment facilitating vehicle called the Stock Performance Index Futures Fund (SPIFF). The SPIFF is a commingled synthetic index fund offered by the Board's master custodian, that provides exposure to the U.S. equity markets, but has the liquidity of a money market fund. Consequently, by placing its unallocated cash in the SPIFF account, the Board is able to maintain full U.S. equity exposure pending the next rebalancing.

As a result of these policies, for calendar year 1992, the total Fund returned 6.83%. To the extent that this return is less than prior years, we must be mindful that it is in fact a reflection of an across-the-board slow down in the financial markets. In point of fact, the Board's performance placed it in the 19th percentile of Callan's database of public plan sponsors with over $1 billion in assets under management!

Specifically, in calendar year 1992, the U.S. equity market's behavior was unusually subdued in the context of a presidential election year and a recovery from a recession. Uncertainty associated with the election, both in terms of the outcome and of the unknowns of a possible new administration, contributed to sluggish stock performance; with the S & P 500 South Africa Free Index posting a total return of 9.73% for calendar year 1992. In contrast, the Board's total domestic equity portfolios returned 11.22%.

Foreign stocks also struggled in 1992, primarily because of a weaker than expected Japanese economy and high interest rates in Europe. The Morgan Stanley Capital International Europe, Australia, Far East (MSCI

EAFE) Index was down over 12% in U.S. dollars for calendar year 1992. During the same period, the Board's aggregate international portfolios were down only 6.08% in U.S. dollars.

Driven by the uncertain economic and political times, 1992 bond yields experienced considerable fluctuations. After a poor first calendar quarter, bonds rallied through September before again drifting lower in the fourth quarter. Ironically, 30-year Treasury bonds ended the year exactly where they began, yielding 7.4%. The Lehman Brothers Aggregate Bond Index was virtually flat in the fourth quarter and finished the year up 7.4%. In comparison, the Board's total domestic fixed income managers earned 7.10%, for the same period. The Board's only Non-U.S. bond manger returned 5.31% versus 4.78% earned by Salomon Brothers Non-Dollar Governmental Bond Index.

As I mentioned previously, during 1992, the Board retained Hamilton Lane Advisors as an alternative investment consultant to assist the Board in achieving its alternative investment objectives. Hamilton Lane began their assignment with the development of investment guidelines which included parameters for investment type, risk, expected returns, maturity, structure, and other investment features. Hamilton Lane also conducted the appropriate due diligence required to narrow the field of attractive investment choices and will monitor the selected investments through maturity.

The Board's alternative investment portfolio currently consists of three leverage buy-out/equity investments, two venture capital investments and one new investment in mezzanine loans (Rice Mezzanine Lending Partners). This latest investment was procured during 1992, after an extensive due diligence process was conducted by Hamilton Lane Advisors. The Board committed $12 million to Rice Mezzanine Lenders Partners, L.P.

The Board also has two real estate investment portfolios. Both investments were undertaken by the Board in 1988. JMB Realty Group I consist of income producing office and retail properties. J.P. Morgan/Silverstein is limited to opportunistic investments in the New York Metropolitan area.

I will now discuss the specific of the Board's Fiscal year 1994 Operating

Budget request.

The Fiscal Year 1994 Operating Budget request is $10,801,000 in appropriated funds and 14 CFT positions. The Board's Fiscal Year 1994 Operating Budget reflects levels of austerity similar to this past year; and in fact (excluding asset management fees) has been reduced 2.8% from the FY 93 Budget! This was due primarily as a result of the Board renegotiating the fees for its actuaries, master custodian, and comput services.

As in the past, the Mayor has proposed that 100% of the Board's operating budget be funded from the investment earnings of the Funds. As fiduciaries of the Fund, the Board is requesting that 100% of the operating budget be funded with General Fund appropriations. The Board maintains, and we believe that the Retirement Reform Act supports our position, that the District is responsible for the entire amount; and to do otherwise would contravene the spirit and intent of the Act. Furthermore, irrespective of the spirit behind the Retirement Reform Act, it should be noted that requiring Fund expenses to be paid from investment earnings only further adds to the ever growing unfunded liability.

I would also bring to your attention, the fact that the District's budget proposal includes a request to permit the retirement on disability of 50 firefighters in excess of the statutory cap; and authority to implement an early-out program for all District employees (including Fund participants and beneficiaries). Both of these proposals, if implemented, would constitute "changes in benefits" and as such Section 142(d)(1) of the Retirement Reform Act requires the District to engage an actuary to determine the five year impact on the Funds. If the Funds are negatively impacted by the changes then Section 142(d)(2) requires the District to amortize that amount over a maximum period of twenty-five years. In the past, changes such as these have cost the District millions of dollars in additional, unanticipated costs.

Mr. Chairman, I would also request that the Sub-Committee take remedial action to correct statutory changes made to the Retirement Reform Act last year pursuant to budget proposals of the District that were subsequently disallowed by Congress. As you may recall, last year the District attempted to both raid the Funds and exercise control over

the budgetary expenditures of the Board. Specifically, the District had proposed taking $800,000 from the Funds to subsidize the budget of the District's Office of Financial Management; and to reduce the Board's budget by an additional $146,000 and four positions. The fact that these proposals unambiguously violated both the letter and spirit of the Act had not detered the District, and the Board was compelled to file suit.

In a retroactive maneuver designed to make such budgetary proposals legal, the District included in its Omnibus Budget Support Bill, three amendments to the Retirement Reform Act. The first amendment eliminated the prohibition on the Mayor and Council to specify the purposes or activities for which the Board could expend its administrative expenses. The second amendment permitted the District to use "grant funds" when providing for the Board's budget; and the last amendment exempted the District from the prohibited transaction provisions which had been specifically designed by Congress to prevent the Board from: furnishing goods, services, or facilities to the District; transferring assets to, or permiting assets to be used by, or permiting assets to be used for the benefit of the District.

The courts deferred action until Congress acted on the proposals; and happily, Congress in its wisdom rejected all of the District's proposals. Unfortunately, although the proposals themselves were disallowed, the statutory changes which had made them technically legal remained on the books. Accordingly, we urge that you rectify this situation inorder to avoid potential problems in the future.

Mr. Chairman, we are pleased to respond to any questions you or members of the Committee may have. Thank you.

District of Columbia Retirement Board

Agency Overview

Mission

The mission of the District of Columbia Retirement Board is to control and manage the D. C. Teachers' Retirement Fund, the D.C. Police Officers and Fire Fighters' Retirement Fund, and the D.C. Judges' Retirement Fund.

Agency Description

The Retirement Board consists of eleven trustees (three appointed by the Mayor, two by the Council and six elected by the beneficiaries) who set overall agency policy. Since its inception, the Board has operated under a committee system thereby providing a two-tiered process for fiduciary review and analysis. In this manner, the Board, consistent with its fiduciary duties, thoroughly and comprehensively reviews all issues coming before it. The Board currently has seven standing committees (Administration, Benefits, Investment, Legislative, Operations, Minority Participation, and Search and Selection). To implement its policies the Board appointed an administrative staff which provides support services to the Board and its several committees. This allows them to discharge their fiduciary and administrative responsibilities as set forth under sections 121 and 181 of P.L. 96-122. The Retirement Board and its staff meet the statutory and operational responsibilities in the following areas:

- Custody and Investment of Retirement Funds;
- Oversight of Contributions to the Funds by the District and Federal governments and employees;
- Benefit Payments to Annuitants;
- Reporting and Disclosure; and
- Organization and Operation of the Board.

Agency Budget Summary

FY 1994: The FY 1994 nonappropriated budget request is $10,801,000 and 14 FTE positions. This request will cover the D.C. Retirement Board's planned administrative expenses and will be funded from the trust fund's earnings. The D.C. Retirement Board agrees on the total amount requested with exception of the funding source. The Board requests that the same FY 1994 proposed budget be funded from the General Fund revenues. The FY 1994 budget request of $10,801,000, to be financed from the trust earnings, reflects an increase of $509,000 or 4.9 percent, above the nonappropriated FY 1993 revised budget of $10,292,000.

FY 1993 Revised: The revised FY1993 budget is unchanged from the approved FY 1993 level. The FY 1994 increase is primarily attributed to growth in expenses resulting from more funds under management.

District of Columbia Retirement Board

Major changes in the FY 1994 budget include:

- Increase in Asset Manager Fees by $555,000 or 7.74 percent due to fund asset growth;
- Decrease in Master Custodian cost by $250,000 or 27.78 percent due to a renegotiated contract; and
- Increase in Investment Advisor fees by $200,000 due to the hiring of a Non-Traditional Investment Consultant.

Budget Strategy & Impacts
By the end of FY 1994, it is estimated that the Retirement Board will be controlling and managing approximately $2.822 billion in retirement fund assets, which will necessitate increases in investment, custodianship and related asset management fees.

The growth in retirement funds is the major cause of cost increases in the FY 1994 proposed budget request for the D.C Retirement Board . The investment program of the D.C. Retirement Board is long-term, and in view of this the Board has diversified its asset allocation structure to control volatility and to participate in the returns of major asset classes. Due to the magnitude of the Board's unfunded liability, the formulation of a well diversified asset allocation structure is essential to the overall objective of maximizing investment performance while minimizing portfolio risk.

The disallowance of the proposed budget would inhibit the overall function of the Board's asset allocation plan and would not contribute to the overall diminution of the unfunded liability.

Table I **Agency Staffing and Funding Detail**

Programs	Staffing (FTE Positions)				Funding			
	FY92 Actual	FY93 Budget	FY93 Revised	FY94 Proposed	FY92 Actual	FY93 Budget	FY93 Revised	FY94 Proposed
Retirement Board Administration	13.5	14.0	14.0	14.0	8,382,326	10,292,000	10,292,000	10,801,000
Total Agency	13.5	14.0	14.0	14.0	8,382,326	10,292,000	10,292,000	10,801,000
Appropriated Funds	13.5	0.0	0.0	0.0	26,725	0	0	0
Federal Funds	0.0	0.0	0.0	0.0	0	0	0	0
Intra-District Funds	0.0	0.0	0.0	0.0	(1,127)	0	0	0
Other Funds	0.0	14.0	14.0	14.0	8,356,728	10,292,000	10,292,000	10,801,000

SUMMARY OF DISAGREEMENT OVER FUNDING

Mr. DIXON. This gets back to the historical dispute in that in good times the Committee had generally split the funding level, going half, the 25 percent, then 20 percent and then in 1991, because of budget constraints, we sided with the District in that your total operating costs of $9.1 million would come out of the retirement fund earnings. I invited you up this morning so that you could once again make your pitch as to your position. I think I understand it well.

The Board is saying that the District should fund the Board's overhead costs and the District is saying, no, it should be taken out of your investment earnings. Does that kind of summarize?

Mr. TYDINGS. That summarizes it, Mr. Chairman.

Mr. DIXON. I will give you an opportunity to make your case again, Mr. Tydings.

INTRODUCTION OF BOARD MEMBERS

Mr. TYDINGS. Accompanying me at this table today, as you said, Jeanna Cullins, our new Executive Director, Mr. Martin Pfeifer, representing the officers of the Metropolitan Police Department, and Ralph Stephens who represents the active District Firefighters.

OPENING REMARKS OF BOARD CHAIRMAN TYDINGS

With the subcommittee's indulgence, I will provide only a brief summary of the board's progress, development, and management of the retirement fund. I have submitted a full transcript of my testimony for the record. Following the summary I will present the board's operating budget request.

SUMMARY OF BOARD'S ROLE AND RECENT ACTIVITIES

As you know, the District of Columbia Retirement Board was established on November 17, 1979, pursuant to the District of Columbia Retirement Reform Act and is charged with the duty to manage and control the pension funds of the District of Columbia's police officers, firefighters, teachers and judges.

Board decisions are implemented by an in-house staff currently providing in-house accounting, benefits, investment and legal capabilities. These capabilities are further enhanced by the retention of outside consultants who work closely with the in-house staff.

From an operational standpoint the board implemented several programs over this past year designed to enhance the overall management and efficiency of the agency. These actions included a management and organizational audit, as well as a search for a new Executive Director, which resulted in the selection of Miss Cullins. And further, in an effort to focus attention on the fund's unfunded liability, the board initiated a series of workshops to educate all affected parties.

UNFUNDED LIABILITY

As we have indicated in prior hearings before the subcommittee, one of, if not the most critical problems facing the board, indeed the city as a whole, is the elimination of the fund's unfunded liabil-

ity. Under the Retirement Reform Act, the District inherited an unfunded liability of over $2.2 billion which has since grown to $4.3 billion as a result of interest on those liabilities and an inadequate funding formula.

The unfunded liability is projected to reach almost $7 billion by fiscal year 2004 when the current statutory framework requires the District to begin paying the normal cost and 100 percent of the interest on the unfunded liability. This is indeed a ticking time bomb which requires the joint efforts of all affected parties to successfully diffuse. Following the completion of the board workshop, the affected parties formed a working group to try to fashion a viable solution. As always, the board is available to provide technical assistance in those efforts.

VALUE OF FUND ASSETS

Through the implementation of its long-term portfolio diversification strategy, the assets of the funds are currently in excess of $2.4 billion. Prior to fiscal year 1990, the board's asset allocation structure had been relatively conservative with respect to other public funds. Within these parameters, the board's investment objective was to preserve the purchasing power of the fund's asset while achieving a long-term rate of return that exceeded inflation. Subsequently, the board reviewed its investment time horizon and determined a shift in risk would increase total portfolio returns over time.

AGGRESSIVE INVESTMENT STRATEGY OF PRESENT BOARD

This fiscal year, the board has adopted a more aggressive asset allocation policy designed to generate investment returns that would place the board in the top quartile, 25 percent, of all public pension plans.

Through the use of a "cash sweep" program the board ensured the maximum amount of funds available for investment would in fact be invested. Concurrent with the "cash sweep" policy, the board decided to no longer consider cash as a strategic asset in its long-term investment program. Consequently, cash allocations which had ranged as high as 10 percent would only be maintained at the minimum level needed to pay current benefit obligation and administrative expenses.

DIVERSIFICATION OF PORTFOLIO

The restructuring of the board's long-term asset allocation policy necessitated several other significant changes. In particular, the board decided to diversify its passive Pacific Basin portfolio into an active portfolio which included the emerging markets. The board also adopted a regional style for the European markets, and just this past year, restructured the board's fixed income portfolios in order to increase the global component.

PERFORMANCE ENHANCEMENT STRATEGIES

The board also implemented various performance enhancement and income generating strategies, including a security lending program with its master custodian; an options override program de-

signed to conservatively sell options that will subsequently expire unexercised; and a rebalancing program. Pursuant to the rebalancing program, cash is periodically deployed at semiannual intervals to collect imbalances between actual and targeted asset allocations.

Further, by placing all unallocated cash in highly liquid synthetic indexed funds, the board is able to maintain a full U.S. equity exposure pending each rebalancing.

As a result of these policies, for the calendar year 1992, the fund generated a return of 6.83 percent. This placed the board in the 19th percentile of Callan's database of public plan sponsors with other sponsors with $1 billion in assets under management. While this return does not match those of some prior years, it should be noted that it is reflective of a general slowdown in the financial markets.

COMPARISON OF PERFORMANCE WITH OTHER FUNDS

In particular, the U.S. equity market's behavior was unusually subdued in the context of a Presidential election year and a recovery from a recession with the S & P 500 South Africa Free Index posting a total return of 9.73 percent. In contrast, the board's domestic equity portfolios returned 11.2 percent.

Foreign stocks also struggled in 1992, primarily because of weaker than expected Japanese economy and high interest rates in Europe. Consequently the MSCI EAFE index was down over 12 percent for the calendar year 1992. During the same period the, board's aggregate international portfolios were down only 6.08 percent.

The Lehman Brothers Aggregate Bond Index finished the year up 7.4 percent. In comparison, the board's total domestic fixed income managers earned 7.10 percent, while the board's only non–U.S. bond manager returned 5.3 percent, versus 4.78 percent by Salomon Brothers Non-Dollar Governmental Bond Index.

BOARD'S BUDGET REQUEST

I will now discuss the specifics of the board's fiscal year 1994 operating budget request.

The fiscal year 1994 operating budget request is $10,801,000 in appropriated funds and 14 continuing full time positions. This is a reduction of 2.8 percent from fiscal year 1993 budget due primarily to renegotiated fees of our actuaries, master custodian, and computer services. That is excluding the asset management fees.

As in the past, the Mayor has proposed that 100 percent of the board's operating budget be funded from the investment earnings of the fund. The board maintains and we believe that the Retirement Reform Act supports our position that the District is responsible for the entire amount, and to do otherwise would contravene the spirit and intent of the act. We would also note that requiring fund expenses to be paid from investment earnings only further adds to the ever growing unfunded liability.

DISABILITY AND EARLY OUT RETIREMENTS

I would also bring to your attention the fact that the District budget proposal includes a request to permit the retirement on disability of 50 firefighters in excess of the statutory cap, and authority to implement an early-out retirement program for all District employees. Both of these proposals, if implemented, would constitute a change in benefits and as such require the District to engage an actuary to determine a five-year impact on the funds. If the funds are negatively impacted by the changes, then the District must amortize that amount over a maximum period of 25 years. In the past, changes such as these have cost the District millions of dollars in additional, unanticipated costs.

REQUEST TO OVERTURN STATUTORY CHANGES

Mr. Chairman, I would also request that the subcommittee take remedial action to correct statutory changes made to the Retirement Reform Act last year pursuant to budget proposals of the District that were subsequently disallowed by Congress. In a retroactive maneuver designed to make certain fiscal year 1993 budgetary proposals legal, the District had included three amendments to the Retirement Reform Act in its omnibus budget support bill.

Happily, Congress in its wisdom rejected all of the District's proposals. However, while the proposals themselves were disallowed, the statutory changes that had made them technically legal remained on the books. Accordingly, we urge that you rectify this situation in order to avoid potential problems in the future.

Mr. Chairman, we are pleased to respond to any questions you and Members may have and we thank you very much.

RECOGNITION OF POLICE AND FIRE REPRESENTATIVES

Mr. DIXON. Thank you, Mr. Tydings. We have representatives from the active police officers and the active firefighters here today. If you have statements, we will be pleased to receive them for the record.

Mr. PFEIFER. Nothing additional at this time, Mr. Chairman.

Mr. DIXON. And Mr. Stevens.

Mr. STEVENS. The same Mr. Chairman.

STATUS OF DISTRICT'S PAYMENTS TO RETIREMENT FUNDS

Mr. DIXON. First, let me ask you, Mr. Tydings, is the District current in its payments to the retirement funds?

Mr. TYDINGS. As of this minute, yes. We have indications that the District might be late in their next payment which would be the first of July.

Mr. DIXON. And they make quarterly payments.

Mr. TYDINGS. Quarterly payments.

Mr. DIXON. And how much would that quarterly payment be?

Ms. CULLINS. Seventy-two million dollars.

Mr. TYDINGS. Seventy-two million dollars, and it is broken down into the three funds.

NEW COMPOSITION OF BOARD

Mr. DIXON. The composition of the retirement board has been expanded to include representatives from the District's judiciary.

Mr. TYDINGS. Yes, Mr. Chairman.

Mr. DIXON. Or a judge's representative?

Mr. TYDINGS. A judge's representative, and an additional City Council representative. So the City Council will have three representatives, the Mayor will have three, and the police two, the firefighters two, teachers two, and judges one, for a total of 13.

TWO REQUESTED LANGUAGE CHANGES

Mr. DIXON. You touched upon what we call language changes. The District has sent up language that I would basically call a waiver of the so-called trigger mechanism which was put into the Retirement Reform Act sometime ago.

Mr. TYDINGS. On the disability retirements.

Mr. DIXON. On the disability retirements. This year the District would like to retire up to 50 fire fighters on disability.

Mr. TYDINGS. Yes.

Mr. DIXON. And the trigger mechanism, I am informed, would be activated at 19?

Mr. TYDINGS. The disability retirements limit gets lower as the years go on and it is down rather low.

Ms. CULLINS. It is 19 now.

Mr. TYDINGS. All right, it is 19.

Mr. DIXON. The second language change concerns early out retirements.

Mr. TYDINGS. Right.

Mr. DIXON. As I understand your testimony, you are saying that the District either should or must perform some actuarial study.

Mr. TYDINGS. The Mayor must hire on actuary to perform, according to the original act, an actuarial study to determine the impact on the retirement fund.

Mr. DIXON. And you suspect this is going to have a tremendous impact on the retirement funds.

Mr. TYDINGS. We think so. The disability retirement language change alone will allow 50 more people to retire on disability.

Mr. DIXON. And will increase the District's annual payment to the retirement funds.

Mr. TYDINGS. And the District has to perform the study and give us the actuarial report before the benefit change is effective, according to the act.

Mr. DIXON. So I gather that you support these language changes, assuming all of these things are done?

Mr. TYDINGS. I don't know that we support the 50 additional disability retirements, but if they decide to do it, we would have no control over it. If you let them do it, they have to make the actuarial study and determine the impact on the fund and then they are required to amortize the additional costs over 25 years.

But the study shows a five-year cost impact on the fund, which they can amortize over 25 years.

COST OF INCREASING DISABILITY RETIREMENTS

Mr. DIXON. Do you have any idea of the impact of this waiver—how much additional it will cost?

Mr. TYDINGS. No, Mr. Chairman, I don't.

Mr. DIXON. None whatsoever?

Mr. TYDINGS. I don't remember how much more the impact of two previous proposals cost.

Mr. DIXON. Assuming they did all 50 disability retirements.

Mr. PFEIFER. Mr. Chairman, I think the number was somewhere in the area of $1 million or $1.3 million, if I remember the number correctly. The District has done some preliminary work on that and worked up a number and that is their number not the actuary's number.

Mr. DIXON. Would you identify yourself for the record?

Mr. PFEIFER. Sure. Martin Pfeifer, the representative on the Retirement Board for the active police officers.

Mr. TYDINGS. Last time they paid about a million dollars, so that is about right.

RESPONSIBILITY FOR ADMINISTRATIVE COSTS

Mr. DIXON. Well, as you know, the District is in dire financial straits, and it is my inclination to go along with their proposal. We have had heated discussions over this before and allowed them to direct you to take the money for your operating costs from your profits, so to speak.

Do you rely on any statutory language that indicates that the District should absorb the cost of your operating budget?

Mr. TYDINGS. It says in the Retirement Reform Act that the District shall pay the administrative expenses. It is plain and clear, and they kept reducing their contribution down a little each year, and we have some figures. And then it was down to zero. It is also supported by the legislative history of the act.

Mr. DIXON. Thank you, Mr. Tydings. Mr. Bonilla.

IMPACT OF PAYING ADMINISTRATIVE COSTS

Mr. BONILLA. Thank you, Mr. Chairman. Just a couple of questions. Being new to the committee I would appreciate it if you would elaborate a little more on this disagreement, I guess, that exists about where the funding should come from. Tell me more about the downside that you see of having this money come from, as the Chairman put it, your profits versus having it funded from the District government.

Mr. TYDINGS. Well, the current budget is at the level of $10.8 million, which means $10.8 million less we have to invest, thus reducing our fund returns, and increasing the unfunded liability. The act is specific in saying that the District pay the administrative expenses of the board.

Mr. BONILLA. Is there a threat to the long-term value of the pension fund, then, if this were to exist for some time?

Mr. TYDINGS. You mean if we got it all the time would the unfunded liability increase?

Mr. BONILLA. Right.

Mr. TYDINGS. Oh yes, of course, the thought is that, and I guess the GAO study said it, that the District inherited an unfunded liability of $2.2 billion when they took it over in 1979. I don't think there is any argument there. But certainly the money spent for administrative expenses over the last 10 or 12 years increases the liability. The District never ever paid 100 percent—I don't think they ever paid 100 percent of the administrative expenses except perhaps in the very first year.

Ms. CULLINS. Only the first year.

Mr. TYDINGS. For the first year, the Board did not have any managers. It was a small fund. They started off, remember, with just $52 million they got from the Federal Government and that was all of the money of the fund. That is what it has grown to over $2.5 billion in the last 13 years. It has grown quite a bit, but there still is a lot of money to be paid out contributed by the Federal Government later.

RATIONALE FOR CITY'S REQUEST

Mr. BONILLA. Other than the Mayor's obvious concern about their shortfall in revenues and so forth, is there any other motivation that you think she might have in suggesting that it be funded this way?

Mr. TYDINGS. No, just the way to save them money in their operating expenses, that is all, yes. And it is the same way, I believe, and this is just my opinion, that retiring 50 firefighters or anyone else helps the city's operating budget. It doesn't help us because we will have more people on the retirement rolls, but it helps the city's operating budget because it is 50 less people they have to pay salaries to.

Mr. BONILLA. Thank you very much, sir. Thank you, Mr. Chairman.

AMOUNT OF UNFUNDED LIABILITY

Mr. DIXON. Mr. Tydings, the original estimate by GAO was $2.2 billion unfunded in 1979 when the District assumed responsibility of the fund.

Mr. TYDINGS. Right.

Mr. DIXON. And you say it has grown because of interest on the $2.2 billion.

Mr. TYDINGS. Yes.

Mr. DIXON. And what is it at this point in time?

Mr. TYDINGS. About $4.3 billion, Mr. Chairman.

RETIREES RECEIVE TWICE-A-YEAR COLAS

Mr. DIXON. And some of your retirees receive cost of living adjustments twice a year.

Mr. TYDINGS. Yes.

Mr. DIXON. All or just——

Mr. TYDINGS. No, only the ones that retired after February of 1980 receive twice-a-year cost of living increases. Anybody on the retirement rolls prior to February of 1980, got a percentage increase the same as the active firefighters police officers and teach-

ers received. Those retired after February 1980 got the cost of living raises twice a year.

Mr. DIXON. Mr. Walsh.

Mr. WALSH. I apologize for running in and out.

Mr. DIXON. Quite all right.

Mr. WALSH. I have had a crazy morning. I am sure that is not new to any of you, but thank you for your testimony.

I was looking at the news article regarding the unfunded pension liability. It says that in passing the Retirement Reform Act of 1979, the Federal government saddled the District with an unfunded liability of about $2 billion.

BACKGROUND ON UNFUNDED LIABILITY

Can you just take me back a little and explain what that $2 billion is committed to and what was the promise at that time to cover that $2 billion?

Mr. TYDINGS. I don't think there was any promise at that time. The way the system was funded prior to the Retirement Reform Act was that the retirement payments were part of the departments budgets and so, when the District went under home rule they had to do something about this method of funding.

Mr. WALSH. Excuse me. This is a projected, long-term commitment to meeting your commitments to the retirees.

Mr. TYDINGS. Right. What they said was it is a formula that goes with that that says that the net normal cost that they have to pay plus interest on the unfunded liability when they——I don't know. The actuaries worked all this stuff out. But anyway that is how they came up with the payment system. And then the payment escalates. So what we have now is a pay-as-you-go system where they pay some on the unfunded liability. But, remember, when you started off with that, the interest on that $2.2 billion was phenomenal. That is mostly what caused it to grow to $4.3 billion plus the new people coming on the rolls and things like that.

But prior to that, under the old system, if you will, prior to 1979, the retirement costs were part of the operating budget and so then when they came under home rule they could not do that anymore. They had to try a system that was more sound, if you will.

FEDERAL GOVERNMENT'S CONTRIBUTION

Mr. WALSH. Mr. Chairman, in addition to the formula, isn't there a committed amount the Federal government pays for this?

Mr. DIXON. That is $52 million a year for 25 years.

Mr. TYDINGS. Fifty-two million dollars. The $2.4 billion that is now in the fund is the result of the annual $52 million contributed since 1979 by the Federal government. Through this year it has grown to over $2.4 billion.

Mr. WALSH. The commitment is not being met?

Mr. DIXON. Oh yes, the commitment of the $52 million is being met.

Mr. TYDINGS. That is always being met.

Mr. DIXON. There is legislation, Public Law 96–122, that authorizes $52,070,000 annually for the police, firefighters, teachers and judges pension funds until the year 2004.

Mr. TYDINGS. Even with the commitment of the $52 million a year the unfunded liability at this time is still $4.3 billion.

Mr. WALSH. This $52 million each year doesn't impact on that number at all.

Mr. TYDINGS. On the $52 million?

Mr. WALSH. On the unfunded liability.

Mr. TYDINGS. Oh, no, no.

Mr. WALSH. This just meets the commitments to the police, firefighters, teachers and judges.

Mr. TYDINGS. Right.

PROPOSALS TO RESOLVE FUNDING GAP

Mr. WALSH. What is proposed to deal with this $4.3 billion unfunded liability? What is the District proposing?

Mr. TYDINGS. Well, there is a committee that is dealing with that issue. We have been meeting, including Mr. Pfeifer and myself, to discuss alternatives to increase revenues and decrease payouts from the retirements funds. One is to increase the amount of money taken out of the active people; reduce the COLAs from 2 to 1; increase the Federal payment; and amortize the District's payment over 35 or 40 years. But the members of the Committee have never agreed on anything concretely yet. We got into a-couldn't agree with all the figures kind of situation.

COST TO FEDERAL GOVERNMENT

Mr. WALSH. If you took all those options, one of which is increasing the Federal commitment, what would it require the Federal government to come up with in order to get the books back in balance?

Mr. DIXON. Roughly $4 billion.

Mr. TYDINGS. If the Federal government would come up with $4 billion now.

Mr. WALSH. So all those other things will just meet current requirements.

Mr. TYDINGS. It is like buying a house. You will amortize the unfunded liability over 35 years. In other words, they say now we owe $4 billion. We will lend it to you and that is what the payments will be, and at the end of the 35 years it will be paid for, providing all these other ingredients come to fruition; reduced COLAs and the Federal government's increase, etc.

Mr. WALSH. I certainly cannot speak for the committee or the Congress, but I would suspect that coming up with $4 billion is not likely.

Mr. TYDINGS. Yes.

Mr. WALSH. When does this hit the fan?

Mr. TYDINGS. FY 2004 is when the District is supposed to switch from the current benefit payments methods to payment of the interest on the unfunded liability plus normal costs, whatever that may be. That is the ticking time bomb we keep talking about.

IMPACT OF UNFUNDED LIABLITY

Mr. WALSH. And the impact of this will be felt on the retirees?

Mr. TYDINGS. I think it would be felt more on the city than the retirees, because there is $2.4 billion in assets now which in another 10 or 12 years will certainly have grown.

Mr. DIXON. Well, the system won't be out of money.

Mr. TYDINGS. No.

Mr. DIXON. There will probably be in that period of time some other authorizing legislation that actually turns the system into a partial pay-as-you-go program, as I understand it, and then we would probably continue to provide some monies annually, but not $4 billion in any lump sum.

Mr. PFEIFER. Mr. Chairman, if I may.

Mr. DIXON. Sure.

EXPLANATION OF FUNDING PROBLEM

Mr. PFEIFER. As to what Mr. Tydings said, essentially when the District took over the system, the piece that the Federal government is paying now, which is $52 million annually, and has been reduced once, I believe, as a result of the Gramm–Rudman–Hollings requirement by about $2 million, from $52 to $50 million, was only about 20 percent of the projected unfunded liability at the time the actuaries initially crunched the numbers.

So the Federal government passed on the remaining 80 percent to the District. Because they were on a pay-as-you-go system, the District and Congress wishing to make things as easy for the District as possible, paid not even the interest on that unfunded liability. So, therefore, it has grown from about $2.2 billion in 1979 to about $4.3 billion currently.

It is just as if you had a mortgage on your own house and didn't quite pay the interest and made no payment toward the principal. The principal and the interest would continue to grow and you would have a large number by the time you tried to pay off your house. That is the way I can explain it and understand it myself.

What is going to happen is this burden is going to be passed on to future generations of taxpayers if we don't deal with it sometime in the near future. Any time you can front end load—and this goes back to the administrative expenses of the board—any time you can front end load money on a problem such as this, you get the effect of compounding interest and so forth and you reduce the obligation much more quickly than if you elect to amortize it over an extended period of time, such as 25 or 35 years.

So it comes down to, you can pay me now or you can pay me later, but sooner or later you are going to have to pay, and I think that that is basically the situation we are in now.

ADMINISTRATIVE COSTS

Mr. DIXON. The other issue, Jim—he touched upon it earlier—is a historical one. The Retirement Board feels the authorizing legislation is on their side as it relates to who pays the Board's administrative costs for administering the retirement system. This year it is $10 million. When the District started getting into a financial crunch, they transferred those expenses to the Retirement Board and said you should pay it out of your portfolio earnings.

Mr. WALSH. From the retirement funds.

Mr. DIXON. From the earnings of the retirement funds. And the Board claims their position is backed up by law, that it is the District's responsibility to pay the Board's administrative expenses. Historically it had been split, and then in 1991, based on the finances of the District, this Committee went along with the city's position that the expenses should be taken out of the retirement fund earnings. This year it is another $10 million.

Mr. TYDINGS. Yes. Regarding the administrative expenses, and in order to be fair to the city, you would have to decide what are to be considered administrative expenses? Is it the money managers' fees? We negotiate fees to manage the money. We have a manager managing $200 million or $300 million, and that comes to a lot of money. We would say that the investment money paid to investment managers is not part of the administrative fees, since most of other funds do take those out of the income earnings—the investment earnings—and that would be fair.

The other expenditures, the salaries of positions, the office space and all of that, we feel that that is what Congress intended the city to pay. Instead we say it every year, they keep dropping their contribution down to where we are, down to zero.

Mr. DIXON. You were reasonably successful up until 1991.

Mr. TYDINGS. They were fairly reasonable until then, yes.

Mr. DIXON. Any other questions?

If not, thank you lady and gentlemen for your testimony here today.

QUESTIONS FOR THE RECORD

I do have some questions that I will submit to you to answer for the record.

Mr. TYDINGS. We will be happy to do that.

[The Committee's questions and the Board's response follow:]

DISTRICT OF COLUMBIA RETIREMENT BOARD

QUESTION:

1. The District is requesting two language changes concerning retirements.

   The first is Section 132 of the bill which would allow up to 50 Fire Department employees to retire on disability without affecting the D.C. Retirement Reform Act's trigger mechanism.

   The second is Section 134 which would allow incentives for an early-out retirement program.

   a. Is the language in each of these two sections in compliance with the D.C. Retirement Reform Act of 1979 (see copy of Board's April 13, 1993, letter to Mayor Kelly)?

ANSWER:

1a. Yes.

QUESTION:

2. How many investment advisors did you have as of June 30, 1992, and how many do you have now?

   a. How much did you pay your investment advisors in total in FY 1991 and FY 1992?

ANSWER:

2. As of June 30, 1992, the Board had 32 investment advisors. As of November 1, 1993, the Board currently has 31 investment advisors.

   2a. Investment advisors fees totaled $4,958,186 in FY 1991 and $5,666,753.56 in FY 1992.

QUESTION:

3. What did you budget for legal costs in FY 1992 and what did you actually spend?

   a. For the record, provide a listing of the billings (showing hours and hourly rates) you received in fiscal year 1992 by firm showing the directive given to the firm and a summary of the work performed by the firm.

      - What criteria was used to select the firm or firms selected?

b. Are your legal costs for the first eight months of FY 1993 within your budget projections?

c. How much is in your FY 1994 budget for legal fees?

ANSWER:

3. In FY 1992 the budget for outside legal counsel was $250,000. The actual cost for legal counsel was $63,644.

3a. For the response to the first half of this question see attachment # 1.

In Fiscal Year 1992, the Board had three (3) law firms under engagement. (No firm was or is, under retainer and all legal fees are generated on a per hour basis.) One firm served principally as general fiduciary Counsel, and the other served principally to assist with the unfunded liability matter; however, this firm has also assisted with general fiduciary issues since resolution of the unfunded liability issue has not been actively pursued.

Assignments are made with these categories in mind and in an effort to be equitable where possible. The selection of these firms was pursuant to a competitive search and selection process with the final engagements based upon each firm's strengths in the service area identified and their outstanding reputation in the legal community. For specific selection criteria, please see attachment # 2, where we have provided the Evaluation Worksheet utilized by the Board to select the outside law firms.

Attachment 1

District of Columbia Retirement Board Legal Services Recived During Fiscal Year 1992					
Firm	Period of Service	Task	Total Hours	Hourly Rate Range	Total Legal Fees Billed
Arent, Fox Kintner Plotkin & Kahn	10/91	Research Re: Prohibited Transaction and Off-Shore Banking	31.1	$100-275 (-10%)	$4,106.28*
Groom & Nordberg	12/91	Letter to Auditors	3.0	$145-265 (-20%)	443.22
	1/92	Research Re: In-House Trading	1.25	$265 (-20%)	265.16*
	2/92	Research Re: In-House Trading	21.0	$175-265 (-20%)	3,045.58*
	3/92	Personnel Issues	20.0	$115-265 (-20%)	3,172.00
		Litigation Re: Reduced District Contribution	156.5	$145-265 (-20%)	26,957.26*
		In-House Trading	.5	$265 (-20%)	132.50
	4/92	Personnel Issues	8.75	$175-265 (-20%)	1,477.00
		Litigation Re: Reduced District Contribution	120.25	$145-265 (-20%)	18,301.27*
	5/92	Contribution Litigation	5.75	$265 (-20%)	1,669.92*
	6/92	Personnel Issues	10.50	$155-265 (-20%)	1,811.36*
	7/92	Personnel Issues	1.50	$175-265 (-20%)	301.29*
	9/92	Research Re: Conflict issues	11.25	$160-265 (-20%)	1,987.17*

* = Includes out-of-pocket expenses.

Attachment 2

EVALUATION WORKSHEET

Name of Firm: _____

1. Expertise in ERISA: and applicable reg's and prohibited transactions _____

   examples: _____

2. Understanding of RRA: and applicable reg's _____

   examples: _____

3. Understanding of: fiduciary Duties and Responsiblities _____

   examples: _____

4. Knowledge of investment vehicles: and implication of class exemption _____

   examples: _____

5. Legislative expertise: _____

examples: _____

6. Knowledge of other element laws: (Securities Act, Investment Advisors) _____

7. Familiarity with D.C. Government: _____

a. _____

8. Location of firm offices: _____

a. # of lawyer in firm _____

b. # of lawyers in D.C. office _____

c. Presence of pension fund specialist with D.C. office _____

d. major area(s) of practices in D.C. office _____

9. prior demonstrated experience with pension funds

10. Fee Structure Proposed:

11. Potential Conflict of Interest
    a. In-house ability to monitor conflict problems

12. South African Dealings:

13. Number of Minority: Partners:
    Names:

14. If a minority firm are they certified by MBOC

15. Malpractice Insurance & Amount:

16. Partner with Primary Responsibility for Account

Comments:

QUESTION:

4. Is the District Government current in its payments to the Retirement Board?

   a. When was the last payment due, how much was the amount and what date was the payment received by the Board?

   b. If the payment was late, please explain what efforts were made by the Board to receive the payment on time?

ANSWER:

4. The District is not current in its payment to the Retirement Board.

   4a. The fourth quarter fiscal year 1993 payment was due on July 1, 1993. The District informed the Board in a timely fashion that due to its fiscal problems it would be unable to make the fourth quarter payment on time and acknowledged its obligation to pay interest. The fourth quarter payment was made on November 2, 1993. However, the interest which had accrued was not paid.

   The first quarter of 1994 payment is not due from the District until December 1, as the Appropriations Bill was not signed by the President until November 1, 1993 and they have 30 days from that date to make the payment.

   4b. As indicated earlier, the District informed the Board that the payment would be late and acknowledged their obligation to pay interest. Therefore, it would have been premature to institute any action against the District.

   When the interest on the fourth quarter FY 93 payment was not received on November 2, the members informed staff that a demand letter should be sent to the District and that interest would continue to accrue on the outstanding balance. A demand letter was sent to the District on Friday, November 12, 1993 requesting immediate payment.

QUESTION:

5. Provide for the record, tables similar to those on pages 2432-2433 of last year's hearings showing your 1992 actual and the increases between your total FY 1993 and FY 1994 budgets by expense categories.

ANSWER:

5. See attachment # 3.

Attachment 3

DISTRICT OF COLUMBIA RETIREMENT BOARD
PROJECTED EXPENDITURES FOR FY1994
COMPARED TO THE FY 1993 APPROVED BUDGET

EXPENSE CATEGORY	Actual FY92 11/13/92	Approved FY93 Budget	FY94 Projected	CHANGE INCREASE (DECREASE) FY93–FY94	Percent Increase FY93–FY94
Personnel Compensation:					
Board Member Comp.	$160,442	$135,000	$161,000	$26,000	19.26%
Staff Salaries	535,224	649,000	663,000	14,000	2.16%
Fringe Benefits	70,264	86,000	86,000	0	0.00%
Total Personnel Comp.	$765,929	$870,000	$910,000	$40,000	4.60%
Advisors Fees:					
Legal Counsel	$63,644	$150,000	$150,000	$0	0.00%
Auditor	36,850	57,000	57,000	0	0.00%
Actuary	65,174	100,000	90,000	(10,000)	−10.00%
EDP Consultant	0	30,000	25,000	(5,000)	−16.67%
Invest. Consult. Trad	182,960	250,000	240,000	(10,000)	−4.00%
Invest. Consult. Non−Trad	18,554	0	200,000	200,000	N/A
Total Advisors Fees	$367,182	$587,000	$762,000	$175,000	29.81%
Liability Insurance:					
Premium	$157,541	$204,000	$184,000	($20,000)	−9.80%
Total Liability Insurance	$157,541	$204,000	$184,000	($20,000)	−9.80%
Asset Management Fees:					
Investment Advisors	$5,686,530	$7,171,000	$7,726,000	$555,000	7.74%
Master Custodian	1,043,298	900,000	650,000	(250,000)	−27.78%
Total Asset Mgmt. Fees	$6,729,827	$8,071,000	$8,376,000	$305,000	3.78%
Admin. & Office Expenses:					
Office Space & Commun.	$171,737	$237,000	$244,000	$7,000	2.95%
Membership Dues	4,934	5,000	6,000	1,000	20.00%
Recruiting	0	5,000	6,000	1,000	20.00%
Supplies & Ref. Materials	52,507	61,000	61,000	0	0.00%
Printing	6,079	10,000	10,000	0	0.00%
Temp Staff/Report. Svc.	38,547	20,000	20,000	0	0.00%
Training/Educ.−Board	35,468	44,800	52,800	8,000	17.86%
Training/Educ.−Staff	15,762	37,200	37,200	0	0.00%
Furniture & Equipment	16,456	99,000	93,000	(6,000)	−6.06%
Post./Impr. Fund/Courier	19,188	23,000	21,000	(2,000)	−8.70%
Board Member Elections	8,369	18,000	18,000	0	0.00%
	$369,048	$560,000	$569,000	$9,001	1.61%
GRAND TOTALS	$8,389,527	$10,292,000	$10,801,000	$509,000	4.95%

QUESTION:

6. Section 162.(a)(1)(A) of Public Law 96-122 reads as follows:

"Sec. 162.(a)(1)(A) The Board shall publish an annual report for each fiscal year (beginning with fiscal year 1980) with respect to each retirement program to which this title applies and with respect to the Fund for such retirement program. Such report shall be filed with the Mayor, the Council, the Speaker, and the President pro Tempore in accordance with section 164(a) and shall be made available and furnished to participants and beneficiaries in accordance with section 164(b).

"(B) The annual report shall include the information described in subsections (b), (c), (d), and (e) and, when applicable, subsection (f), and shall also include --

* * * * * * * * * * * * *

"(e) A report under this section for a fiscal year shall include a statement prepared by the Board of --

"(1) The relative riskiness of the investments during the fiscal year of the assets of the Fund;

"(2) A comparison of the average return on the investments of the Fund during

the year with the average return on the investments of other public pension funds during the year that have comparable asset valuation; and

(3) The average daily balance of, and the average rate earned by, assets of the Fund in each of any time or demand deposits during the year."

a. Please provide for the record the statement required under subsection (e) for each of the fiscal years beginning with fiscal year 1980. Please include all cash balances in the total assets used for the comparisons referred to in item 2 of subsection (e).

ANSWER:

6a. Traditionally, the Board's investment policies have been conservative and the relative riskiness of the Board's portfolio has been lower than that of other public funds. This investment philosophy is evidenced in attachment # 4 and # 5 which are graphical representations of the risk/reward relationship of the public funds in Callan Associates database. Incidentally, Callan Associates produced the first risk/reward graph as an integral part of its Quarterly Measurement Review Report in 1991. For the five year periods ended September 30, 1991 and 1992, the risk/reward graphs clearly indicate that the composite fund yielded less risk and consequently less return. The Board was risk averse in that it preferred smaller variances at comparable levels of return. The volatility of returns over the ensuring measurement period, the five year period ended September 30, 1993, significantly changed to less risk and appreciably more reward. This philosophical change in the Board's policy can be directly attributed to various portfolio enhancement strategies and a new investment objective. These strategies were designed to earn higher returns without increasing risk. Attachment # 6 is the risk/reward structure for the current measurement period. It is illustrative of the impact of these strategies on the relative riskiness of the composite fund.

The table below compares the Board's returns to the universe of public funds maintained by Callan Associates, the Board's investment consultant. The percentile rankings ranged from 1 (the highest) to 100 (the lowest).

Fiscal Year	Return	Percentile Ranking
1981	5.85	Above 10th percentile.
1982	18.85	Between 75th & 90th percentile.
1983	11.52	Below 90th percentile.
1984	-2.19	Below 90th percentile.
1985	16.45	Below 75th percentile.
1986	24.04	Between 25th & 50th percentile.
1987	16.90	Between 50th & 60th percentile.
1988	.04	Between 50th & 60th percentile.
1989	17.50	Between 60th & 75th percentile.
1990	-1.8	Between 25th & 50th percentile.
1991	20.73	Between 72th percentile.

1992	11.90	Between 61th percentile.
1993	15.69	Between 1st percentile.

It should be noted, however, that while these public pension funds may be comparable to the Board in asset size, they do not necessarily have the same investment objectives, investment styles, investment restrictions and asset classes as the Board.

During the fiscal years in question, the Board maintained short-term investments in both the Permanent Fund and the Temporary Fund. These short-term investments are primarily high quality commercial paper, discount notes, government securities, bankers acceptances, and certificates of deposit. The Board does not maintain any demand deposit accounts. The balances held in the Board's Temporary Fund are invested in highly liquid short-term investment funds and offered in a pooled investment vehicle by the Board's master custodian, State Sreet Bank and Trust. The balances held in the Permanent Fund have been invested in similar instruments. The most meaningful data with respect to these investments begins in 1985. The chart below sets forth the rates of return earned on short-term investments in both the Temporary and Permanent Funds. The Board's benchmark for measurement of portfolio performance is the return on U.S. Treasury Bills.

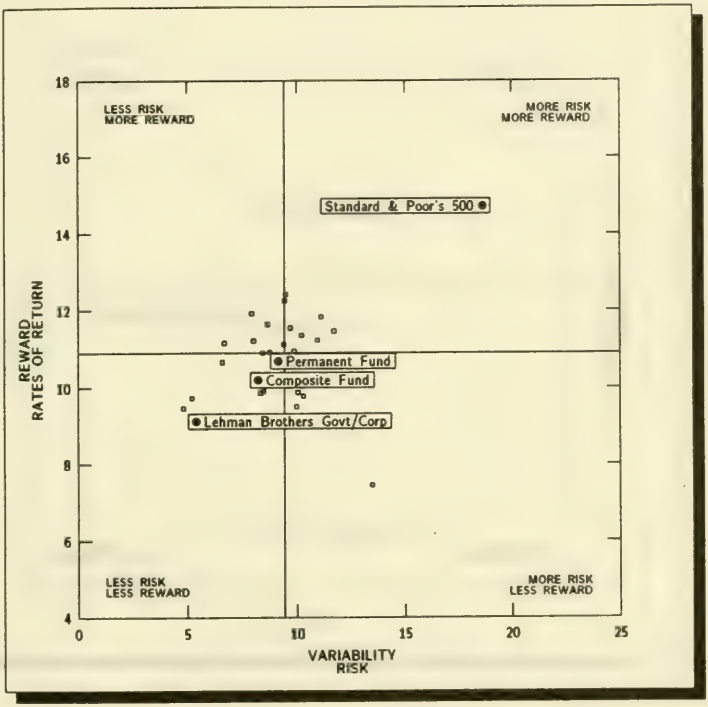
	Permanent Fund		Temporary Fund	
Fiscal Year	Short Term	DC/CD*	State Street	T-Bills
1985	9.9	N/A	9.3	8.6
1986	7.9	N/A	7.8	6.8
1987	6.1	6.8	7.2	5.9
1988	7.9	7.4	7.3	6.5
1989	9.9	9.3	8.4	8.7
1990	8.7	8.8	8.6	8.1
1991	6.4	7.7	8.4	6.4
1992	N/A	5.5	6.3	4.1

*Internally managed portfolio of certificates of deposit in District of Columbia financial based institutions.

In FY 1991, the Board implemented a computer driven optimization program to identify the optimal returns among the Board's various asset classes. This was undertaken as a way to increase the Fund's expected rates of return, while maintaining the same level of risk to the overall portfolio. Concurrently, the Board instituted a cash rebalancing program designed to eliminate strategic investment in cash which had acted as a negative drag on the Fund's performance. Heretofore, the Permanent Fund's cash allocations had ranged from a maximum of 10% to a minimum of 3%. At the present time, the Board does not allocate any portion of the Permanent Fund's assets to cash. The Temporary Fund now contains only a sufficient amount of cash necessary for the payment of to month's worth of benefit obligations and administrative expenses.

Attachment 4

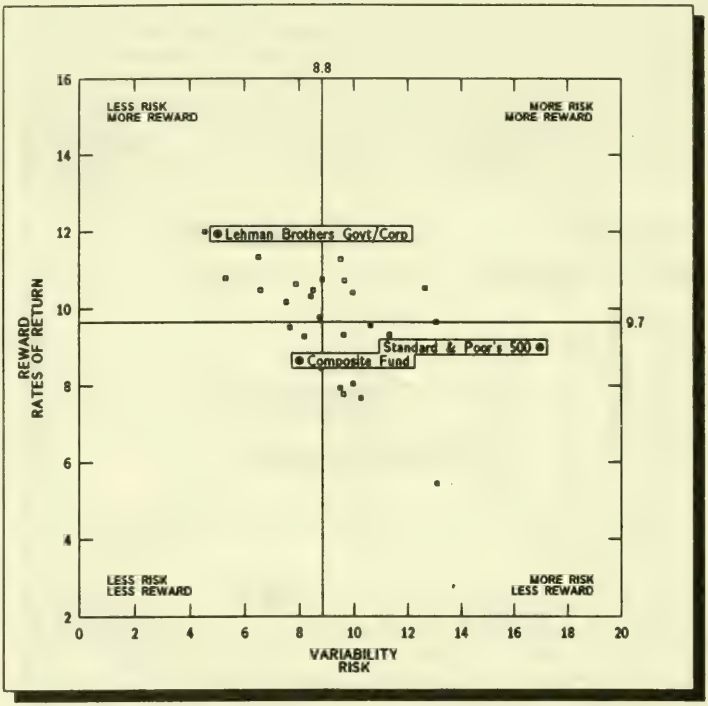
DC RETIREMENT BOARD
RISK/REWARD STRUCTURE
FIVE YEARS ENDED SEPTEMBER 30, 1991



Unlabeled points on the graph represent the Risk/Return for the funds in the Public Plan Sponsors Total Fund and the central axis represents the median annualized Risk/Return for this group.

Attachment 5

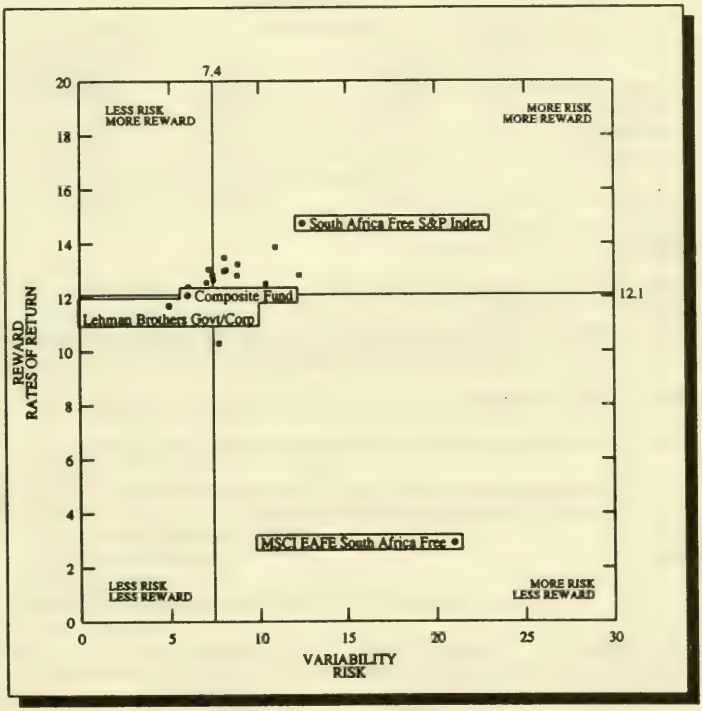
DC RETIREMENT BOARD
RISK/REWARD STRUCTURE
FIVE YEARS ENDED SEPTEMBER 30, 1992



Unlabeled points on the graph represent the Risk/Return for the funds in the Public Plan Sponsor Database and the central axis represents the median annualized Risk/Return for this group.

Attachment 6

DC RETIREMENT BOARD
RISK/REWARD STRUCTURE
FIVE YEARS ENDED SEPTEMBER 30, 1993



Unlabeled points on the graph represent the Risk/Return for the funds in the Public Plan Sponsor Database and the central axis represents the median annualized Risk/Return for this group.

QUESTION:

7. Please update the table on page 2419 of last year's hearings showing how much of the retirement fund assets under management is for each of the three funds and the source of the retirement fund assets.

ANSWER:

7.

Projected Activity
Retirement Funds
($ in Millions)

	Teachers	P & F	Judges	Total
Balance End of FY93	$1,083.2	$1,390.4	$29.2	$2,502.8
FY 1994 Fed Contrib.	17.0	32.8	0.2	50.0
Amorization	10.0	17.9	1.0	28.9
Earnings	109.1	140.0	2.9	252.0
Est Bal-end of FY94	$1,219.3	$1,581.1	$33.3	$2,833.7

QUESTION:

8. How much is in the three retirement funds at this time?

   a. What are those funds invested in, and what are the interest rates you are receiving (highest rate, lowest rate, and average rate)?

   b. What is the current interest rate and what was it a year ago?

   c. Have you changed any of your investment managers since last year?

   d. Please update the table on page 2421 of last year's hearings concerning the three funds showing the earnings rate of return for each.

ANSWER:

8. Net Asset Valuation For the Month Ended: September 30, 1993

Plan Name	Permanent Fund	Temporary Fund	Total Plans
Teacher's Plan	$1,075,261,043	$ 7,908,050	$1,083,169,093
Police & Fire	1,377,359,372	13,071,043	1,390,430,416
Judges Plan	28,662,337	504,745	29,167,081
Total Plans	$2,481,282,752	$21,483,838	2,502,766,590

8a. The targeted asset allocation structure for the Permanent Fund is:

Domestic Equities	46%
International Equities	17%
Domestic Fixed Income	26%
Global Fixed Income	5%
Real Estate	3%
Alternative Investments	3%

	Year Ended 9/30/93
Highest Equity	33.25%
Lowest Equity	8.30%
Highest Fixed	12.04%
Lowest Fixed	8.29%
Total Fund	15.69%

8b. The rates of return for the Total Fund are:

	Year Ended 9/30/93	Year Ended 9/30/92
Domestic Equities	18.32%	11.10%
Domestic Fixed Income	10.48%	12.72%
International Equities	23.29%	(3.56)%
International Fixed Income	8.18%	22.35%
Total Fund	15.69%	9.14%

8c. During Fiscal year 1993, the Board tendered termination notices to the following managers:

- Schroder (EAFE)
- Lazard Freres Asset Management
- Neuberger & Berman
- T. Rowe Price
- Ariel Capital Management
- J & W Seligman

These managers were graduated from the Farm Team and not retained after graduation:

- Greaves Capital Management
- NCM Capital Management

During the same time period, the following firms were retained by the Board:

- State Street International Futures Fund
- Pacific Investment Management Company
- Scudder, Stevens & Clark
- Edward Lomax Company*
- GW Capital*
- Woodford Capital*
- Bank of Ireland
- Rice Mezzanine Lenders
- Belmont Capital
- Alex Brown Kleinwort Benson*
- Wedgewood Capital

*Contractual negotiation underway. Agreements have not been signed.

8d. The Board does not calculate the rates of return separately for each of the three retirement funds. The asset distribution among the three retirement funds across the major asset categories appear below as of September 30, 1993.

	Teachers	P & F	Judges	Total
Cash	9,297,990	11,935,561	250,287	21,483,838
Equities[1]	769,765,399	988,125,570	20,720,827	1,778,611,796
Fixed Income	301,151,114	386,578,971	8,106,496	695,836,581
Real Estate	4,602,123	5,907,612	123,882	10,633,617
	1,084,816,626	1,392,547,714	29,201,492	2,506,565,832

[1]Includes alternative investments and option overwrite.

QUESTION:

9. Please update the table on page 2434 of last year's hearings regarding police and fire retirements, including disability retirements.

ANSWER:

9. See attachment # 7.

Attachment 7

OPTIONAL AND DISABILITY RETIREMENT-METROPOLITAN POLICE DEPARTMENT AND FIRE DEPARTMENT (CALENDAR)

	OPTIONAL SERVICE RETIREMENTS		DISABILITY RETIREMENTS		
	NUMBER	PERCENT	NUMBER	PERCENT	TOTAL RETIREMENT
1967	16	8	185	92	201
1968	10	4	244	96	254
1969	4	2	237	98	241
1970	5	3	171	97	176
1971	40	17	194	83	234
1972	45	24	146	76	191
1973	75	40	112	60	187
1974	70	48	75	52	145
1975	67	38	108	62	175
1976	69	40	102	60	171
1977	79	45	96	55	175
1978	94	56	74	44	168
1979	110	86	18	14	128
1980	447	93	34	7	481
1981	26	50	26	50	52
1982	16	50	16	50	32
1983	88	82	19	18	107
1984	118	88	16	12	134
1985	109	87	17	13	126
1986	98	77	30	23	123
1987	105	77	31*	23	136*
1988	155	85	29**	15	184*
1989	251	63	146***	37	397***
1990	310	93	24	7	334****
1991	351	81	82	19	433*****
1992	210	93	17**	7	227**

*Two of this number includes New Hires who were retired on percentage of disability.

**One of this number includes New Hires who were retired on percentage of disability.

QUESTION:

10. Provide for the record, the per diem and other payments made to each board member for fiscal year 1992 and fiscal year 1993 to date.

ANSWER:

10. See attachment # 8.

Attachment 8

D. C. Retirement Board

Board Member per diem and other payments

Board Member	Compensation FY 1992	Compensation FY 1993	Education and Travel FY 1992	Education and Travel FY 1993
Appointed Members				
James Bunn	$34,881	$30,630	$5,637	$6,470
Michael Curtin	1,379	5,892	609	597
Orlando Darden	9,288	n/a	3,560	n/a
Rose Elder	34,830	38,114	3,753	3,563
Michael Gallie	15,727	22,747	1,640	4,521
Carolyn Smith	428	n/a	0	n/a
Angela Vallot	7,132	11,222	2,251	2,364
Elected Members				
Robert Dollard	n/a	8,834	n/a	3,989
Jeannette Feely *	2,879	7	222	88
Garland Liskey	11,510	4,019	4,801	1,380
Martin Pfeifer *	1,242	1,407	3,466	1,751
William Pryor	n/a	0	n/a	0
Martha Rogers	12,301	12,497	0	2,363
Ralph Stephens *	12,144	8,653	5,005	4,826
James Tydings	17,612	29,091	4,524	3,990
	$161,355	$173,112	$30,463	$35,903

*** Note: Pursuant to the D C Retirement Reform Act, as amended, active District employees serving as trustees receive administrative leave to participate in Board related activities that occur during their regularly scheduled work hours. For Board related activities occurring at other than regularly scheduled work hours they are paid at a rate of DS 15 step 10 as part of the administrative expenses of the fund. These are the costs reported on this schedule.**

QUESTION:

11. For the record, please provide a list of all board members, their terms and their occupations.

ANSWER:

11. See attachment # 9.

Attachment 9

LIST OF CURRENT BOARDMEMBERS
WITH TERMS AND OCCUPATIONS
As of 11/15/93

TYDINGS, James A.
Term: elected - expire 1/27/96
Occupation: Retired D.C. Firefighter

BUNN, James E.
Term: appointed - expire 1/27/95
Occupation: Entrepreneur
President, J.E. Bunn & Associates

CURTIN, Michael F.
Term: appointed - expire 1/27/96
Occupation: Attorney
Sherman, Meehan, & Curtin

ELDER, Rose H.
Term: appointed - expire 1/27/94
Occupation: Entrepreneur
President and CEO, The Elder Group, Inc.

FEELY, Jeannette
Term: elected - expire 1/27/97
Occupation: D.C. Teacher

GALLIE, Michael I.
Term: appointed - expire 1/27/95
Occupation: Financial Consultant
President, Millennium Group

DOLLARD, Robert L.
Term: elected - expire 1/27/97
Occupation: Retired D.C. Police Officer

PFEIFER, Martin L.
Term: elected - expire 1/27/95
Occupation: D.C. Police Officer

PRYOR, William C.
Term: appointed - expire 3/16/97
Occupation: Retired D.C. Judge

ROGERS, Martha F.
Term: elected - expire 1/27/94
Occupation: Retired D.C. Teacher

STEPHENS, Ralph E.
Term: elected - expire 1/27/94
Occupation: D.C. Firefighter

VALLOT, Angela E.
Term: appointed - expire 1/27/96
Occupation: Attorney
Arent, Fox, Kintner, Plotkin & Kahn

QUESTION:

12. Are all of the Board's positions filled, and are all Board member slots presently filled either by appointment or by election?

ANSWER:

12. Three Board positions are unfilled. One Board member slot is presently unfilled. However, the D.C. Council has nominated a candidate for this slot and is awaiting full Council action.

QUESTION:

13. What is the current unfunded liability of the District's police, fire, teachers, and judges pension plan and what is it projected to be in 2005?

ANSWER:

13. According to the Board's actuary report for fiscal year 1994, the FY 1994 statutory unfunded actuarial liability for the teachers fund is $1.6 billion, for the police officers and firefighters fund is $2.7 billion, and for the judges fund is $17.1 million for a total of $4.3 billion. In FY 2005 the total statutory unfunded actuarial liability is projected to be $6.9 billion.

QUESTION:

14. Please update the information on page 2423 of last year's hearings concerning how the D.C. pension funds adjust benefits for inflation and how many times a year benefits are adjusted and how this compares with other plans.

ANSWER:

14. According to a survey of state and local government employee retirement systems conducted for the Public Pension Coordinating Council, only 48 of 269 state and local government pension plans have full indexation for inflation based in the Consumer Price Index (CPI). The remainder have other methods for establishing post-retirement pension increases. Of the District's three retirement plans, only the teachers retirement plan adjusts twice a year, the retired teachers' benefits for inflation as measured by the Consumer Price Index (CPI). The police officers and firefighters retirement plan provides two forms of inflation adjustments. For those police officers and firefighters who retired before February 15, 1980, their pensions are increased by the same percentage and at the same time as the pay raises given to the active police officers and firefighters. The police officers and firefighters who retired after February 15, 1980 receive a twice a year inflation adjustment equal to the CPI. Finally, the judges retirement plan adjusts retirement benefits at the same time and by the same percentage as the cost-of-living increases granted to members of the U.S. Civil Service Retirement System (annually for the last eight years).

QUESTION:

15. Please update the information on page 2423 of last year's hearings concerning how much less the cumulative unfunded liability would be currently and projected in 2005 if only one cost-of-living increase were allowed each year instead of two as is presently the case.

ANSWER:

15. Last year the Board's actuary estimated roughly a reduction of $50.0 million to $100 million in the unfunded liability if only one cost-of-living was allowed each year. By fiscal year 2005, these reductions would reach $170.0 million.

OPERATING BUDGET DETAIL BY AGENCY

AGENCY	1992 ACTUAL	1993 APPROVED	1994 PROPOSED
PUBLIC EDUCATION			
Board of Education:			
District Funds	519,599	513,552	517,682
Federal Funds	59,855	70,098	73,860
Other Funds	3,022	4,215	4,215
Total	582,476	587,865	595,757
Schools PAYGO Capital:			
District Funds	2,625	0	0
Teacher's Retirement:			
District Funds	84,200	98,800	98,600
University of the District of Columbia:			
District Funds	73,495	71,995	65,739
Federal Funds	7,103	0	6,659
Other Funds	12,544	28,205	31,827
Total	93,141	100,200	104,225
District of Columbia School of Law:			
District Funds	4,293	4,500	4,500
Federal Funds	0	0	0
Other Funds	1,266	1,006	1,501
Total	5,559	5,506	6,001
D.C. Education Licensure Commission:			
District Funds	452	240	492
Federal Funds	78	90	90
Total	530	330	582
Public Library:			
District Funds	20,726	20,978	21,260
Federal Funds	471	341	580
Other Funds	516	260	547
Total	21,713	21,578	22,387
Commission on the Arts and Humanities:			
District Funds	3,322	3,527	3,540
Federal Funds	641	0	461
Total	3,963	3,527	4,001
Total District Funds	708,712	713,592	711,813
Total Federal Funds	68,148	70,529	81,650
Total Other Funds	17,349	33,686	38,089
TOTAL, PUB. ED.	**794,208**	**817,807**	**831,552**

WEDNESDAY, JUNE 9, 1993.

PUBLIC EDUCATION SYSTEM

BOARD OF EDUCATION (D.C. PUBLIC SCHOOLS)

WITNESSES

R. DAVID HALL, PRESIDENT, D.C. BOARD OF EDUCATION
KAREN SHOOK, CHAIRPERSON, COMMITTEE ON BUDGET AND RESOURCE ALLOCATIONS, D.C. BOARD OF EDUCATION
LINDA MOODY, WARD 8 MEMBER AND VICE PRESIDENT, D.C. BOARD OF EDUCATION
JAY SILBERMAN, AT-LARGE MEMBER, D.C. BOARD OF EDUCATION
ERICA LANDBERG, WARD 3 MEMBER, D.C. BOARD OF EDUCATION
SANDRA TRUESDALE, WARD 4 MEMBER, D.C. BOARD OF EDUCATION
BERNARD A. GRAY, SR., WARD 6 MEMBER, D.C. BOARD OF EDUCATION
FRANKLIN L. SMITH, SUPERINTENDENT OF SCHOOLS

PARENTS UNITED FOR THE D.C. PUBLIC SCHOOLS

DELABIAN RICE-THURSTON, EXECUTIVE DIRECTOR
MARY LEVY, FINANCE ANALYST

District of Columbia Public Schools

Agency Overview

Mission

The mission of the District of Columbia Public Schools is to provide a viable and comprehensive system of free publicly supported education for students from prekindergarten through grade twelve.

Agency Description

The District of Columbia Public Schools, under the direction of the Board of Education and the management of the Superintendent, is the agency that provides public educational services to preschool through adult age students. These services include comprehensive programs at the elementary, junior and senior high school levels. Also provided are special education services for handicapped students, and career training opportunities for adults at career development centers.

The mission of the Public Schools is achieved through the activities of the following components:

- The Board of Education - establishes the educational policies for the school system.
- Office of the Superintendent - directs the day-to-day operations of the school system and implements the educational policies approved by the Board of Education.
- Office of Educational Programs and Operations - organizes, manages, and directs the development, implementation, coordination, and monitoring of programs and services which impact the successful delivery of effective programs in all local schools.
- Office of Administration and Business Services - manages all administrative, financial, facility and support functions, as well as procurement, security, and food services, in a cohesive fashion that enhances educational effectiveness at the local school level.

Agency Budget Summary

FY 1994: The total budget from all funding sources in FY 1994 is $598,951,455 and 12,205 FTEs an increase of $10,196,308 and a decrease of 908 FTEs from the revised FY 1993 budget of $588,755,147 and 13,113 FTE positions. The appropriated request for FY 1994 is $517,682,000 and 11,084 FTEs, an increase of $6,400,000 with a decrease of 883 FTEs. Reduction in the appropriated FTE positions will result from downsizing and attrition. The FY 1994 nonappropriated budget is $81,269,455 and 1,146 FTEs , an increase of $3,796,308 and an increase in 74 FTEs over the revised FY 1993 nonappropriated budget. The increase in nonappropriated revenue are due to enhanced efforts to generate funds from federal reimbursements (ie. special education children and other services).

FY 1993 Revised Budget: The FY 1993 revised budget is $588,755,147 and 13,113 FTEs which represents a decrease of $2,304,209 and no change in FTEs. The revised FY 1993 appropriated request is $511,282,000 a decrease of $2,270,000 and a decrease of 25 FTEs. The revised FY 1994 nonappropriated budget is $77,473,147 a decreased by $34,209 and no change in FTEs.

District of Columbia Public Schools

Major changes in the FY 1994 budget include the following:

- Funding for a 4.5% raise for all D.C. Public School employees
- Increase federal funding (i.e. Medicaid reimbursements for special education)
- Savings through consolidating programs, reducing 200-250 administrative and support FTE positions, and closing ten schools. Elimination of 883 positions will occur during FY 1994

Major changes in the FY 1993 revised budget includes the following:

- A 6.5% raise for teachers and principals
- A $18,000,000 furlough reduction savings
- A $2,270,000 reduction due to a within-grade freeze

Budget Strategy and Impacts
Strategy: The Government of the District of Columbia is committed to work in a collaborative manner to address the needs of the children in the community. Following a day-long summit on January 23, 1993 between the Mayor, Members of Council, School Board, and DCPS Superintendent & staff an agreement was signed the 29th of January 1993. The agreement outlined the responsibilities of all parties regarding funding for FY 1993 and FY 1994, and committed to convening future meetings to define funding strategies, interagency collaboration, and performance standards for FY 1995 & beyond. Specifically the DCPS will achieve savings by eliminating 883 appropriated positions and identifying 10 schools to close by May 1993. In addition the District Government will assist DCPS in obtaining federal revenue enhancements such as medicaid reimbursement for special education & other services.
Impacts: The impact of implementing the initiatives will be : 1) reallocated and concentrate resources on education instruction at the school level: 2) provide the mechanism for balancing current staffing patterns and student/teacher ratios, and 3) promotes instructional staff morale.

District of Columbia Public Schools

Table I — Agency Staffing and Funding Detail

Programs	Staffing (FTE Positions)				Funding			
	FY92 Actual	FY93 Budget	FY93 Revised	FY94 Proposed	FY92 Actual	FY93 Budget	FY93 Revised	FY94 Proposed
Board of Education	44.1	41.0	41.0	41.0	2,007,337	1,586,000	1,516,000	1,586,000
Office of the Superintendent of Schools	7,382.1	233.0	233.0	157.0	401,412,922	20,609,722	20,575,513	14,251,339
Office of the Vice Superintendent	1,284.1	109.0	109.0	2.0	74,401,646	5,776,091	5,776,091	368,385
Office of Human Resource Management	256.5	0.0	0.0	0.0	11,593,470	0	0	0
Office of Educational Programs & Operations	397.9	9,665.0	9,665.0	9,160.0	306,399	419,508,428	418,308,428	430,458,353
Office of Administration & Business Services	1,377.9	3,065.0	3,065.0	2,845.0	99,533,568	143,579,115	142,579,115	152,287,378
Total Agency	10,742.6	13,113.0	13,113.0	12,205.0	589,255,342	591,059,356	588,755,147	598,951,455
Appropriated Funds	9,545.9	11,967.0	11,967.0	11,084.0	519,599,278	513,552,000	511,282,000	517,682,000
Federal Funds	998.5	1,072.0	1,072.0	1,047.0	59,854,647	70,098,040	70,098,040	73,860,139
Intra-District Funds	175.8	54.0	54.0	54.0	6,779,107	3,194,427	3,194,427	3,194,427
Other Funds	22.3	20.0	20.0	20.0	3,022,311	4,214,889	4,180,680	4,214,889

Table II — Agency Outputs

Measures	FY 1991	FY 1992	FY 1993	FY 1994
Board Meetings	21	18	22	*18
Schools w/partners (fy92 estimated)	159	159	165	*165
Parent Involvement	35,000	35,000	35,000	*35,000
Student Hearings	561	615	700	*800
Student enroll	80,694	80,618	80,937	*81,400
Scholarship report (fy92 - funds awarded as of July 17/1992)	9,920,161	13,568,580	13,600,000	*13,800,000
Per pupil expenditure	6,236	6,445	6,317	*6,360
*Estimate				

District of Columbia Public Schools

Table V Agency Appropriated Summary by Expenditure Type

Expenditure Type	Staffing (FTE)				Funding			
	FY 92 Actual	FY 93 Budget	FY 93 Revised	FY 94 Proposed	FY 92 Actual	FY 93 Budget	FY 93 Revised	FY 94 Proposed
Personal Services								
Regular Pay	7,872.8	10,197.0	10,197.0	9,508.0	343,831,656	343,947,000	342,177,000	349,224,841
Other Pay	1,673.2	1,770.0	1,770.0	1,576.0	49,590,296	45,220,000	44,720,000	44,704,121
Additional Gross Pay	0.0	0.0	0.0	0.0	11,874,182	5,628,000	5,628,000	5,638,000
Fringe Benefits	0.0	0.0	0.0	0.0	33,614,084	27,886,000	27,886,000	27,678,843
Total Personal Services	9,546.0	11,967.0	11,967.0	11,084.0	438,910,218	422,681,000	420,411,000	427,245,805
NonPersonal Services								
Supplies					12,911,130	9,329,000	9,329,000	14,876,684
Energy					15,550,772	15,773,046	15,773,046	15,273,046
Communications					2,529,355	2,200,857	2,200,857	2,208,857
Building Rent					5,089,027	5,258,457	5,258,457	5,258,457
Other Services & Charges					16,208,845	23,747,640	23,747,640	21,904,739
Subsidies & Transfers					14,979,130	16,025,000	16,025,000	16,788,730
Equipment					13,420,802	18,537,000	18,537,000	14,125,682
Total NonPersonal Services					80,689,061	90,871,000	90,871,000	90,436,195
TOTAL AGENCY	9,546.0	11,967.0	11,967.0	11,084.0	519,599,279	513,552,000	511,282,000	517,682,000

Mr. DIXON. The Committee will come to order.

We have with us the Board of Education. Dr. Smith, it is a pleasure seeing you.

Dr. SMITH. Good to see you.

BUDGET REQUEST OF D.C. PUBLIC SCHOOLS

Mr. DIXON. The Board of Education is requesting $517,682,000 and 11,084 positions for fiscal year 1994, which is a net increase of $4,130,000 and a reduction of 883 positions below the FY 1993 enacted appropriation level.

Further, in the fiscal year 1993 supplemental you are requesting a net decrease of $2,270,000, from $513,552,000 to $511,282,000. Under your capital improvements program for fiscal year 1994 you are requesting $53 million for three projects.

We have with us the President of the Board of Education, R. David Hall, and the Superintendent, Dr. Franklin L. Smith. We have also invited other members of the School Board as well as representatives of Parents United for D.C. Schools.

President Hall, please introduce any other board members that are present here today.

INTRODUCTION OF BOARD MEMBERS

Mr. HALL. Thank you, Mr. Chairman. It is a pleasure to appear before you today. I want to introduce you to other members of the Board of Education. First, Vice President of the board, Ms. Linda Moody from Ward 4 and Mr. Jay Silberman, at-large member of the board; Ms. Karen Shook, at-large member, and also she chairs the Finance Committee; Ms. Erika Landberg, Ward 3 representative; Ms. Sandra Truesdale, Ward 4 representative; Mr. Bernard Gray, Ward 6 representative, and I believe that includes all the members of the board who are here and the superintendent, of course, is here with his staff.

Mr. DIXON. We welcome all of you here today. It is nice to have this kind of turnout.

PREPARED STATEMENT OF SCHOOL BOARD PRESIDENT

President Hall, if you have a prepared statement, we will place it in the record at this point and if you would like to highlight it, we would be pleased to receive your testimony at this time. We will then hear from Superintendent Smith and then we might have some dialogue.

Mr. HALL. Thank you, Mr. Chairman. I do have a prepared statement for the record.

[Mr. Hall's prepared statement follows:]

1997

STATEMENT OF R. DAVID HALL, PRESIDENT
DISTRICT OF COLUMBIA BOARD OF EDUCATION

BEFORE THE HOUSE APPROPRIATIONS SUBCOMMITTEE
ON THE DISTRICT OF COLUMBIA

REGARDING THE D.C. BOARD OF EDUCATION'S
FY 1994 APPROPRIATED AND
CAPITAL BUDGET REQUESTS

JUNE 9, 1993

GOOD MORNING CHAIRMAN DIXON AND MEMBERS OF THE HOUSE SUBCOMMITTEE. FOR THE RECORD I AM R. DAVID HALL, PRESIDENT OF THE DISTRICT OF COLUMBIA BOARD OF EDUCATION. I AM PLEASED TO COME BEFORE YOU THIS MORNING TO DISCUSS THE D.C. BOARD OF EDUCATION'S FY 1994 APPROPRIATED AND CAPITAL BUDGET REQUESTS.

THIS HAS BEEN A DIFFICULT YEAR FOR THE DISTRICT OF COLUMBIA, AND FOR THE D.C. PUBLIC SCHOOL SYSTEM. ALL OF US HAVE FELT THE EFFECTS OF OUR CITY'S FINANCIAL CRISIS. EVERY YEAR OVER THE LAST TWENTY YEARS THE BOARD OF EDUCATION HAS WATCHED ITS PERCENTAGE SHARE OF THE DISTRICT'S BUDGET SHRINK. WHILE TAXES HAVE INCREASED AND THE FEDERAL PAYMENT TO THE DISTRICT HAS INCREASED, THE PERCENT OF THE CITY BUDGET ALLOCATED TO THE SCHOOL SYSTEM HAS DECREASED. IN 1970, THE SCHOOL SYSTEM'S SHARE OF THE CITY BUDGET WAS 24%; TODAY IT IS LESS THAN 15%.

THE FURLOUGHS WHICH WERE IMPOSED UPON OUR SCHOOL SYSTEM THIS FISCAL YEAR AND THE LACK OF PAY INCREASES FOR OUR EMPLOYEES, TOGETHER WITH THE ESCALATING DEMANDS BEING MADE OF THE PEOPLE WHO EDUCATE OUR CHILDREN, HAVE RESULTED IN A DECREASE IN MORALE, MOTIVATION, ENERGY AND PERFORMANCE. THE BOARD'S RELATIONSHIP WITH THE UNIONS WHICH REPRESENT OUR EMPLOYEES HAS BEEN SEVERELY DIMINISHED BY THEIR INABILITY TO SECURE PAY RAISES FOR THEIR MEMBERS. THIS, COUPLED WITH THE ESTIMATED 4.5% REDUCTION IN ANNUAL SALARIES CAUSED BY THE FURLOUGHS, AND THE FACT THAT PUBLIC SCHOOL EMPLOYEES ALONE HAVE ABSORBED FULLY ONE HALF OF THE CITY'S PROJECTED SAVINGS FROM THE FURLOUGHS, HAS LEFT OUR WORKFORCE FRUSTRATED AND DEMORALIZED.

WE ARE HOPEFUL THAT THIS WILL CHANGE. IN JANUARY OF THIS YEAR, MAYOR SHARON PRATT KELLY, THE LATE CITY COUNCIL CHAIRMAN JOHN WILSON AND I SIGNED AN AGREEMENT WHICH MAINTAINS THE CURRENT FUNDING LEVEL FOR THE SCHOOL SYSTEM'S FY 1993 AND 1994 BASE BUDGETS, AND REQUIRES US TO IMPLEMENT SOME COST CUTTING MEASURES. SPECIFICALLY, THE MAYOR AND COUNCIL AGREED TO IMPOSE NO CUTS IN THE BOARD'S FY 1993 AND FY 1994 BASE BUDGET, FUND A 6.5% PAY RAISE FOR TEACHERS AND PRINCIPALS IN FY 1993 AND FUND A 4.5% PAY RAISE FOR ALL D.C. PUBLIC SCHOOL EMPLOYEES IN FY 1994. IN RETURN THE BOARD OF EDUCATION AGREED TO CONTINUE IMPLEMENTATION OF THE FURLOUGHS IN FY 1993, ELIMINATE 883 POSITIONS AND

CLOSE 10 SCHOOLS BY JUNE 30 OF THIS YEAR. IN HIS STATEMENT DR. SMITH WILL PROVIDE DETAILS AS TO THE PROCESS AND CURRENT STATUS OF BOTH THE REDUCTION IN FORCE AND THE SCHOOL CLOSINGS.

THIS AGREEMENT IS A SIGNIFICANTLY DIFFERENT APPROACH FROM PAST PRACTICES BECAUSE IT ALLOWS THE SCHOOL SYSTEM TO AFFECT SAVINGS WITHOUT HAVING THOSE SAVINGS CUT FROM OUR BUDGET. THIS HAS NOT BEEN THE CASE IN THE PAST.

THE 1989 REPORT OF THE COMMITTEE ON PUBLIC EDUCATION (COPE) MADE 25 RECOMMENDATIONS FOR THE EDUCATIONAL REFORM OF OUR SCHOOL SYSTEM. IN AN EFFORT TO IMPLEMENT ONE OF THOSE RECOMMENDATIONS THE BOARD OF EDUCATION TESTIFIED BEFORE THE CITY COUNCIL IN 1989 THAT IT PROPOSED TO SAVE THE SCHOOL SYSTEM $5 MILLION BY CLOSING SCHOOLS, AND REQUESTED THAT ANY SAVINGS REALIZED FROM SCHOOL CLOSINGS BE RETURNED TO THE SCHOOL SYSTEM'S BUDGET FOR SCHOOL BASED PROGRAMS. INSTEAD THE CITY COUNCIL, REASONING THAT IF THE BOARD COULD SAVE $5 MILLION WE MUST NOT NEED IT, REDUCED THE SCHOOL SYSTEM'S BUDGET BY $5 MILLION.

COPE ALSO RECOMMENDED THAT THE SCHOOL SYSTEM STREAMLINE ITS CENTRAL ADMINISTRATION AND ELIMINATE 400 POSITIONS, AGAIN WITH THE SAVINGS TO BE PUT INTO SCHOOL BASED PROGRAMS. WITHIN THE LAST TWO YEARS WE HAVE ELIMINATED MORE THAN 400 POSITIONS THROUGH ATTRITION, EARLY RETIREMENT AND TRANSFERS TO AVAILABLE POSITIONS. NOT ONLY WERE THE SAVINGS FROM THE ELIMINATION OF THESE POSITIONS NEVER RETAINED IN OUR BUDGET, BUT BETWEEN 1990 AND 1993 THE MAYOR AND CITY COUNCIL CUT $28 MILLION FROM THE SCHOOL SYSTEM'S BUDGET. ANY SAVINGS WHICH WERE TO BE PROVIDED TO SCHOOL BASED PROGRAMS WERE ELIMINATED BY THESE BUDGET CUTS.

IN NO WAY DID THE COPE REPORT RECOMMEND THAT THE SCHOOL SYSTEM'S TOTAL BUDGET BE REDUCED BY THE AMOUNT OF SAVINGS REALIZED FROM PERSONNEL CUTS AND SCHOOL CLOSINGS. RATHER, COPE RECOMMENDED THAT THE SCHOOL SYSTEM BE FUNDED AT A LEVEL OF $600 MILLION WITH MONIES SAVED FROM SCHOOL CLOSINGS AND THE REDUCTION IN PERSONNEL AND ADMINISTRATIVE COSTS TO BE TRANSFERRED TO THE AREAS WITHIN THE SCHOOL SYSTEM THAT DIRECTLY SERVE STUDENTS.

OVER THE LAST DECADE THE BOARD OF EDUCATION HAS CLOSED A NUMBER OF SCHOOL BUILDINGS AND TURNED THEM OVER TO THE DISTRICT GOVERNMENT. THESE SAME BUILDINGS HAVE NOT BEEN SOLD OR PUT TO ANY CONSTRUCTIVE USE. THE SCHOOL BUILDINGS TURNED OVER TO THE DISTRICT GOVERNMENT INCLUDE THE CRUMMEL, GAGE, BRUCE, PERRY, EMORY, BLAIR AND BERRETT SCHOOLS. IN ADDITION THE BOARD OF EDUCATION HAS CLOSED THE RANDALL, GRIMKE AND BUNDY SCHOOLS AND ALLOWED THESE THREE TO BE USED BY THE DISTRICT GOVERNMENT FOR OFFICES OF THE DEPARTMENT OF HUMAN SERVICES AND THE FIRE DEPARTMENT. WE ARE HOPEFUL THAT THESE BUILDINGS CAN BE SOLD AND THE MONIES RETURNED TO THE D.C. PUBLIC SCHOOL SYSTEM AS REQUIRED BY LAW.

AT A TIME WHEN OUR MAYOR AND CITY COUNCIL HAVE CONTINUED TO REDUCE THE SCHOOL SYSTEM'S BUDGET, OTHERS HAVE GENEROUSLY SUPPORTED US. THROUGH THE EFFORTS OF CONGRESSMAN GALLO, $12 MILLION WAS ADDED TO THE SCHOOL SYSTEM'S FY 1991 AND 1992 BUDGETS - $10 MILLION EARMARKED

FOR GENERAL BUILDINGS AND GROUNDS IMPROVEMENTS AND $2 MILLION FOR ATHLETIC IMPROVEMENTS. THE FUNDS FOR ATHLETIC IMPROVEMENTS HAVE ALLOWED US TO RECONDITION THE ATHLETIC FIELDS AND INSTALL EXTERIOR BLEACHERS AT FIVE SENIOR HIGH SCHOOLS; REPLACE GYM FLOORS AT THIRTEEN SENIOR AND JUNIOR HIGH, MIDDLE AND ELEMENTARY SCHOOLS; REPLACE INDOOR BLEACHERS AT FIVE JUNIOR HIGH SCHOOLS; AND INSTALL PLAYGROUND EQUIPMENT AT THIRTY-SIX ELEMENTARY SCHOOLS. IN ADDITION, MAJOR STADIUM IMPROVEMENTS ARE UNDERWAY AT THREE SENIOR HIGH SCHOOLS.

CONGRESS ALSO ADDED $500,000 TO THE SCHOOL SYSTEM'S FY 1992 BUDGET FOR ITS DIRECT ACTIVITY PURCHASE SYSTEM (DAPS). ESTABLISHED BY THE BOARD OF EDUCATION IN 1989, THE DAPS PROGRAM PROVIDES FUNDS DIRECTLY TO PRINCIPALS FOR SUPPLIES AND BUILDING REPAIRS AND IMPROVEMENTS. IN FY 1992, SCHOOL PRINCIPALS SPENT $3,645,487 FROM THEIR DAPS ACCOUNTS TO MAKE IMPROVEMENTS AND REPAIRS TO THEIR BUILDINGS. THE DAPS PROGRAM HAS BECOME VERY POPULAR WITH SCHOOL PRINCIPALS BECAUSE IT ALLOWS THEM THE INDEPENDENCE AND DISCRETION TO MAINTAIN THEIR BUILDINGS THROUGH A FUND WHICH THEY CONTROL. CONGRESS THOUGHT THE PROGRAM SUCCESSFUL ENOUGH TO SUPPORT IT WITH $500,000 ADDITIONAL DOLLARS.

THE CITY-WIDE EARLY CHILDHOOD COLLABORATIVE, COMPRISED OF AGENCIES AND PROVIDERS OF CHILD CARE, HAS RAISED $300,000 TO OPEN THE FREDERICK DOUGLASS FAMILY DEVELOPMENT CENTER. THE COLLABORATIVE, UNDER THE LEADERSHIP OF MRS. KATHERINE GRAHAM AND MR. TERRY GOLDEN, IS CURRENTLY RAISING $1 MILLION TO CONSTRUCT A SECOND FAMILY DEVELOPMENT CENTER THAT WILL HOUSE 20 INFANTS AND TODDLERS AND 80 CHILDREN BETWEEN THE AGES OF TWO AND FOUR. THE COLLABORATIVE'S GOAL IS TO EXPAND SERVICES TO AT-RISK CHILDREN FROM INFANCY TO AGE FOUR WHERE NO LOCAL OR FEDERAL DOLLARS ARE AVAILABLE. ONCE THE CHILDREN REACH THE AGE OF FOUR THEY ARE ELIGIBLE FOR THE SCHOOL SYSTEM'S EARLY CHILDHOOD EDUCATION PROGRAMS.

AN EDUCATIONAL ALLIANCE BETWEEN JEFFERSON JUNIOR HIGH SCHOOL AND COMMUNICATIONS SATELLITE CORPORATION (COMSAT) WAS FORMED IN 1989 AS THE DISTRICT OF COLUMBIA'S FIRST "SCHOOL OF DISTINCTION" IN MATHEMATICS AND SCIENCE. OVER THE PAST FIVE YEARS COMSAT HAS DONATED OVER $1 MILLION AND PROVIDED EMPLOYEE VOLUNTEERS AND OTHER SERVICES TO JEFFERSON STUDENTS IN AN EFFORT TO INCREASE THE NUMBER OF STUDENTS WHO PURSUE CAREERS IN SCIENCE AND MATH. SINCE THE ALLIANCE WAS FORMED, JEFFERSON STUDENTS HAVE CONTINUED TO SCORE WELL ABOVE THE NATIONAL NORM ON STANDARDIZED TESTS, AND HAVE BEEN THE RECIPIENTS OF NUMEROUS LOCAL AND NATIONAL HONORS IN THE FIELDS OF MATH, TECHNOLOGY AND SCIENCE.

DESPITE THE OFTEN QUOTED JUSTIFICATION FOR CUTTING OUR BUDGET FOR THE PAST TWO YEARS, CONGRESS, THE EARLY CHILDHOOD COLLABORATIVE, COMSAT AND MANY OTHER PRIVATE ORGANIZATIONS AND CORPORATIONS DO NOT SHARE THE BELIEF THAT TO ADD MONEY TO THE SCHOOL SYSTEM'S BUDGET WOULD BE TO "THROW GOOD MONEY AFTER BAD". WE HAVE DEMONSTRATED THAT GOOD MANAGEMENT AND WISE USE OF THE FUNDS GIVEN TO US HAS BROUGHT ABOUT THE DESIRED RESULT OF PROVIDING QUALITY SERVICES FOR OUR CHILDREN.

IN ADDITION TO OUR EFFORTS CURRENTLY UNDERWAY TO MEET THE TERMS OF THE SUMMIT AGREEMENT, WE HAVE MADE THE DECISION TO MOVE OUR CENTRAL

OFFICES FROM THE PRESIDENTIAL BUILDING AT 415 12TH STREET N.W. TO THREE SCHOOL BUILDINGS. WE BELIEVE THAT LEASING EXPENSIVE OFFICE SPACE OR BUILDING A NEW OFFICE BUILDING AT THIS TIME IS NOT IN THE BEST INTEREST OF THE TAXPAYERS OR THE CHILDREN.

THE PRESIDENTIAL BUILDING, THE CURRENT LOCATION OF THE BOARD OF EDUCATION AND SCHOOL ADMINISTRATION, HAS BEEN LEASED BY THE DISTRICT GOVERNMENT SINCE 1968, AND AS A RESULT OF A LAWSUIT FILED BY THE BUILDING'S OWNER IN 1982, THE DISTRICT GOVERNMENT WAS ORDERED TO PAY $9 MILLION IN DAMAGES PRORATED OVER THE REMAINING MONTHS OF THE EXISTING LEASE. WHEN THE SCHOOL SYSTEM VACATES THE PRESIDENTIAL BUILDING OFFICES AND MOVES INTO SCHOOL BUILDINGS WE ESTIMATE THAT WE WILL SAVE $7 MILLION ANNUALLY IN RENT. WE ASK THE SUPPORT OF THIS BODY TO KEEP THESE SAVINGS IN THE SCHOOL SYSTEM'S BUDGET SO THAT WE CAN REDIRECT THE FUNDS TO CLASSROOM SUPPORT RATHER THAN HAVING THEM RETURNED TO THE COFFERS OF THE DISTRICT'S GENERAL FUND.

LAST YEAR BEFORE THIS BODY I TALKED ABOUT THE CONDITIONS UNDER WHICH OUR TEACHERS MUST EDUCATE OUR CHILDREN, CONDITIONS OVER WHICH THEY HAVE NO CONTROL, SUCH AS THE VIOLENCE AND DRUGS THAT PERMEATE OUR STUDENTS' NEIGHBORHOODS AND IN SOME CASES THEIR HOMES, CHILDREN WHO ARE NEGLECTED OR ABUSED, CHILDREN WHO ARE NOT DEVELOPMENTALLY READY FOR SCHOOL, CHILDREN WHO SUFFER FROM STRESS, DEPRESSION, HYPERTENSION AND OTHER DISORDERS WHICH PRESENT BARRIERS TO LEARNING. DESPITE THE FACT THAT THESE FORCES ARE OUT OF THE CONTROL OF THE SCHOOL SYSTEM, SCHOOLS HAVE BECOME THE EASY TARGETS FOR WHAT IS WRONG WITH OUR CITY.

WHEN TWO SEPARATE SHOOTINGS TOOK PLACE THIS YEAR, ONE ACROSS THE STREET FROM BIRNEY ELEMENTARY SCHOOL IN FEBRUARY, THE OTHER DOWN THE STREET FROM CLEVELAND ELEMENTARY SCHOOL IN MAY, THE NEWS MEDIA REPORTED THAT VIOLENCE ONCE AGAIN ERUPTED IN OUR SCHOOLS. WHEN AN ESCAPEE FROM A DISTRICT HALFWAY HOUSE WAS CHASED INTO TURNER ELEMENTARY SCHOOL AND SHOT BY A POLICE OFFICER INSIDE A SCHOOL HALLWAY, THE MEDIA PORTRAYED THE INCIDENT AS ANOTHER EXAMPLE OF THE VIOLENCE IN OUR SCHOOLS.

THIS KIND OF VIOLENCE DOES NOT EMANATE FROM THE SCHOOLS; IT EMANATES FROM THE STREETS. UNLESS THE ROOT CAUSES OF THE DECLINE OF OUR CITY ARE CONFRONTED BY ALL OF US IN LEADERSHIP POSITIONS, UNLESS ALL OF THE AGENCIES IN THE DISTRICT GOVERNMENT BEGIN TO SUPPORT ONE ANOTHER, THE CRIME AND VIOLENCE IN OUR STREETS, THE HOMELESSNESS AND POVERTY, THE HOPELESSNESS AND DESPAIR WILL REMAIN WITH US, AND THE SERIOUS DEPRESSION IN THE MORALE, MOTIVATION, ENERGY AND PERFORMANCE OF THE PEOPLE WHO EDUCATE OUR CHILDREN WILL CONTINUE. CHILDREN, THEIR FAMILIES AND THE FUTURE OF OUR CITY WILL SUFFER THE CONSEQUENCES.

WE CANNOT EDUCATE THE CHILDREN OF OUR CITY UNLESS WE MAKE AN INVESTMENT IN THEIR FUTURE, AND A COMMITMENT TO USE WISELY THE RESOURCES AVAILABLE TO US. THE BOARD OF EDUCATION, THE MAYOR AND CITY COUNCIL MADE THAT COMMITMENT IN THE SUMMIT AGREEMENT; WE MAKE THAT COMMITMENT TODAY, AND ASK FOR YOUR SUPPORT OF OUR BUDGET REQUEST.

I APPRECIATE THE OPPORTUNITY TO TESTIFY TODAY, AND I WILL BE HAPPY TO ANSWER ANY QUESTIONS YOU MAY HAVE.

OPENING REMARKS OF SCHOOL BOARD PRESIDENT

Mr. HALL. With regard to the major issues this year, as you are aware, the budgetary impact of both cuts and furloughs placed our system in a reactionary management mode for most of this year. I think as we end this year, we are coming out of that period of reacting to outside change. It has, however, demoralized our work force substantially, and we are moving with our Mayor and City Council to rectify some of those conditions.

We do believe that in the month of June we will be able to announce a raise for the school principals and I believe that will substantially affect their morale as we move into the new year.

I would like to recognize something that members of this subcommittee have done in the past to assist us. Substantial amounts of money were added by this subcommittee, and particularly by Mr. Gallo and Mr. Regula who served here. Those funds have been used to install playgrounds, track equipment, and athletic equipment and have made dramatic and substantial improvements to our school district.

RECEIPT OF GRANT FUNDS

The second source of funding comes from private resources. We have received, through COMSAT, a sizable contribution to one particular school, and that school has shown dramatic improvement in its SAT scores and overall school achievement; also, Mr. Terry Golden and Ms. Katherine Graham are working in our Ward 8 community with early childhood development; they are raising over a million dollars to improve early childhood programs.

Now, these are three examples of funds that are being added to our regular school system resources from outside: one from Congress, one from private corporate dollars, and one from personal dollars. In each case we don't believe that it was throwing good money after bad. We actually believe that each instance is an example of what happens when dollars are given to our school system and used properly in places where they should be utilized.

BUDGET REDUCTION MEASURES

Lastly, I would indicate that the issues of downsizing and the issue of school closings are ones that have received a lot of attention this year and will be coming to closure this month. During this month many things which have been discussed for the entire year will be completed.

SCHOOL CLOSINGS

Our board committee of the whole will be meeting on the 14th of this month, and then the full board will meet on the 16th, to make final decisions on school closings. It is my recommendation to this committee that it close 10 schools and I believe that——

Mr. DIXON. That is per the agreement submitted? Ten schools, 800-plus employees?

Mr. HALL. That is right. I would point out, however, that we have closed schools in the past. Over the last several years we have closed schools which have been turned over to the city, but have not been sold. Schools in this category include the Crummel School,

the Gage School, the Bruce School, the Perry School, the Emory School, the Blair School, and the Berrett school. We are hoping that all of these schools can be sold so that the dollars can be returned to our budget, before we turn more schools over to that inventory.

But we are hopeful that through our better relations with the Mayor and Council we can work through these kinds of issues so that the dollars which could result from school closure and declaring these buildings as surplus will be returned.

One major property, of course, is the Prevocational Center, on North Capitol and H Streets which was returned to the city. We are asking that this property also be sold and the dollars be returned to the school system.

PROGRESS MADE BY SUPERINTENDENT

The superintendent has made substantial progress. I want to indicate before this body that over the last 12 years, as I came before you, you asked questions about whether or not we were able to make the changes that were necessary. It takes a political will and the managerial ability working together to make that happen. I am very, very pleased with the work of Dr. Franklin Smith and the changes he has brought about; for example, the five school closings, which don't get the attention they deserve, which will result in five school openings.

I believe that the closings of four junior highs and one high school, the Coolidge High School, and their subsequent reopening as restructured schools, is what will really demonstrate to the people of the District of Columbia how the system can change from an inefficiently operated one to a much more efficiently operated system with far better educational opportunities for our children.

Mr. DIXON. Is there anyone else at the table from the board that wants to make any statement?

REMARKS OF BOARD MEMBER KAREN SHOOK

Ms. SHOOK. I will speak quickly. I am chairman of the Finance Committee. I want to thank you for this opportunity to testify today. I have been on this board four and a half years, and this is the third consecutive year I have chaired the finance committee. This is the third superintendent with whom I have worked, and I have to say that Franklin Smith is the only superintendent who truly does have a vision for all the children of the city in terms of education. He is also the only superintendent with whom I have worked who is truly committed to streamlining.

RESULTS OF DOWNSIZING AND SCHOOL CLOSING

I can state today that, as a result of the downsizing that was in effect a year ago, we have cut about $6 million from our payroll costs.

Mr. Hall presented the facts about school closings and the downsizing of 883 positions. Also we are going to be relocating our headquarters so we will become a rent-free school system. I would like to say that our system has lived within its budget for the last

12 years, unlike many city agencies, and I know you are familiar with quite a few of them. I am proud of that.

We have also opened our books to independent audits, although we are not required to do so by law, for the last 12 years, and we have received a clean bill of fiscal health. We are very proud of that. We have had numerous rescissions to our budget: $28 million rescinded in the last three years. That does not include the 12 mandated furlough days to which Mr. Hall recently referred which rescinded almost $18 million from our budget. Despite this and despite the fact we have had skyrocketing health benefits costs to the tune of more than $3 million a year, we have still lived within our budget.

It is becoming increasingly difficult to do that, but I want you to know we are continuing our efforts and our commitment to create a lean, mean machine, as I have testified before this committee for years. The superintendent is really committed to that also, and he is getting things done for the school system.

Thank you.

Mr. DIXON. Do other board Members have statements they wish to make? It is not mandatory.

Mr. GRAY. May I?

Mr. DIXON. Certainly.

PREPARED STATEMENT OF BORAD MEMBER BERNARD GRAY

Mr. GRAY. My name is Bernard Gray, sir, and as a member of the Board of Education I would like for you to enter into the record the testimony that I have submitted.

Mr. DIXON. It shall be.

[The prepared statement referred to follows:]

DISTRICT
OF
COLUMBIA
BOARD OF
EDUCATION

BERNARD A. GRAY, SR.
WARD 6 REPRESENTATIVE
415 12th Street, N.W.
Washington, D.C. 20004-1994
202-724-5449

TESTIMONY

OF

BERNARD A. GRAY, SR.

WARD SIX REPRESENTATIVE

DISTRICT OF COLUMBIA

BOARD OF EDUCATION

BEFORE

THE HOUSE

D.C. APPROPRIATIONS SUBCOMMITTEE HEARINGS

ON

D.C. BOARD OF EDUCATION

1994 BUDGET APPROPRIATIONS REQUEST

JUNE 9, 1993

MR. CHAIRMAN DIXON, DISTINGUISHED COMMITTEE MEMBERS, AND GUESTS; MY NAME IS BERNARD A. GRAY, SR.. I AM THE RECENTLY ELECTED WARD SIX MEMBER OF THE BOARD OF EDUCATION IN THE DISTRICT OF COLUMBIA. WARD SIX INCLUDES NEARBY CAPITOL HILL, HISTORIC ANACOSTIA, THE "H STREET" CORRIDOR AND OUR OWN SENATE PAGE SCHOOL. I'M PLEASED TO BE HERE TODAY.

IN NOVEMBER OF 1992 THE CITIZENS OF WARD SIX HEARD AND APPROVED MY CAMPAIGN'S "ABC'S FOR BETTER SCHOOLS". A IS FOR ISSUES OF ATTENDANCE, B IS FOR BUDGET, AND C IS FOR TEACHER AND STUDENT COMPETENCE. SINCE I ARRIVED AT THE BOARD THE CONTINUING ISSUE HAS BEEN BUDGET, BUDGET, BUDGET!

THE CITY CARVED 33 MILLION DOLLARS IN PROGRAMS FROM THE SCHOOLS INCLUDING INITIATIVES IN DROP OUT PREVENTION, SUMMER SCHOOLS, TEACHER TRAINING AND EXPANDED CLASSROOM RESOURCES. THE MANDATE FROM THE MAYOR AND CITY COUNCIL WAS TO COVER THE COSTS OF UNANTICIPATED HEALTH CARE COST INCREASES, TEACHER STEP PAY INCREASES, AND PENSION OBLIGATIONS.

THE CITY HAS PURSUED ADDITIONAL CUTS IN CAPITAL IMPROVEMENT FUNDS FOR WHICH WE RELY ON THE MAYOR AND COUNCIL. THE MOST RECENT REDUCTION WOULD CUT CAPITAL IMPROVEMENT AUTHORITY FROM 50 MILLION TO 32 MILLION AT A TIME WE HAVE BACK LOGGED CAPIAL IMPROVEMENT NEEDS AND A STATED OBLIGATION TO MAINTAIN OR IMPROVE EDUCATION ENVIRONMENT BY UPGRADING CONSOLIDATED SCHOOLS. SO WHILE THE CITY SEEKS TO CLOSE SCHOOLS PURPORTEDLY TO FIND FUNDS FOR SCHOOL IMPROVEMENTS AND TEACHER PAY RAISES, THEY HAVE WITHDRAWN ABOUT A THIRD OF THE MONEY AVAILABLE TO MAINTAIN EDUCATION ENVIRONMENTS TO MAINTAIN THE CITY'S GENERAL FUND.

MR. CHAIRMAN, I BELIEVE THE D.C. PUBLIC SCHOOL SYSTEM LEGITIMATELY NEEDS ABOUT $572 MILLION IN FY 1993-94 TO PROPERLY ADDRESS EXISTING NEEDS. I TESTIFIED TO THAT EFFECT BEFORE THE CITY COUNCIL. OBVIOUSLY WE FACE DIRE ECONOMIC TIMES BUT THAT HAS NOT ALWAYS BEEN THE CASE AND WE HAVE CONSISTENTLY FAILED TO MEET THE EDUCATION FUNDING NEEDS OF THE DISTRICT OF COLUMBIA. THE CUMULATIVE IMPACT OF THAT NEGLECT IS NOW BEING REALIZED.

IN 1987 D.C. RESIDENTS VOTED EDUCATION THE #1 PRIORITY OF THE CITY THROUGH REFERENDUM! YET, WHEN WE BEGAN FY92 WE PLANNED TO SPEND ONLY 15.7% OF THE TOTAL CITY BUDGET ON EDUCATION. WE WOUND UP SPENDING 15.4%. IN FY93 WE PLANNED, BEFORE CUTS, TO SPEND 15.7% OF THE TOTAL CITY BUDGET BUT WILL NOW PROBABLY DIP BELOW 14%.

BY CONTRAST, ACCORDING TO THE METROPOLITAN AREA BOARDS OF EDUCATION GUIDE AND D.C.P.S. STATISTICS, WASHINGTON FAILS TO MEET

THE COMPETITION OF ANY SURROUNDING JURISDICTION IN SPENDING AS A PERCENTAGE OF TOTAL BUDGET OUTLAYS WHEN IT COMES TO EDUCATION.

IN 1993 FAIRFAX WILL SPEND FULLY 50% OF ITS DOLLARS, CHARLES COUNTY 52%, MONTGOMERY COUNTY 42.8, ALEXANDRIA 31.2%, ARLINGTON 30% AND PRINCE GEORGES IN 1992, 33.9% OF COUNTY EXPENDITURES. D.C. IS FAR BELOW THE LOCAL STANDARDS!

IN RELATION TO LARGER CITIES WE DO NOT COMPARE WELL EITHER. ATLANTA SPENDS 23% OF ITS CITY BUDGET ON EDUCATION, RICHMOND 43%, BALTIMORE 30% AND BOSTON 28%!

WE ARE SIXTH IN THE REGION FOR EXPENDITURES PER PUPIL. WE FALL BEHIND ALEXANDRIA, ARLINGTON, FAIRFAX CITY, FALLS CHURCH, AND MONTGOMERY COUNTY. PLEASE KEEP IN MIND WE ALSO HAVE THE LOWEST TEACHER PAY SCALE, BUT WE HAVE THE HIGHEST DROP OUT RATES, INFANT MORTALITY, TEEN PREGNANCY, TEEN-AIDS AND INCIDENTS OF VIOLENT DEATH FOR OUR CHILDREN!

I AM NOT HERE TODAY TO TRY TO AMEND THE BUDGET BEFORE YOU. I AM HERE TO SEEK DISCRETIONARY FUNDING FOR SPECIFIC SPECIAL PROJECTS INVOLVING BASIC HEALTH AND SAFETY ISSUES FOR D.C.'S CHILDREN. I AM HERE TO EXPLAIN THAT OUR NEEDS ARE GREAT AND OUR ABILITY TO PRIORITIZE EDUCATION TOO WEAK!

SINCE THE BUDGET WAS APPROVED WE HAVE FACED YET ANOTHER LAW SUIT AGAINST THE CITY REGARDING FIRE CODE VIOLATIONS IN OUR SCHOOLS AND DESPITE PROGRESS WE HAVE AGREED WITH THE CITY AND FIRE CHIEF THAT 2,198 CODE VIOLATIONS MUST BE CORRECTED IN ORDER THAT SCHOOLS MAY OPEN IN SEPTEMBER 93. IT SHOULD THEREFORE, BE A PART OF THE FY93 SUPPLEMENTAL PROCESS FOR CONSIDERATION. IF NOT, THEN FUNDS WILL BE REPROGRAMMED TO COMPLY WITH COURT ORDERS SURE TO BE FORTHCOMING IF WE DO NOT ACT IMMEDIATELY.

WE HAVE CORRECTED ALMOST HALF OF THE FIRE CODE VIOLATIONS BUT WITH A REDUCED CAPITAL BUDGET, AND INCREASED DEMANDS DUE TO SCHOOL CONSOLIDATION, SOMETHING HAS GOT TO GIVE! REMAINING FIRE CODE VIOLATIONS CARRY A COST IN THE NEIGHBORHOOD OF $2.6 MILLION. I FEAR WHAT WILL GIVE IS THE CITY'S COMMITMENT TO MAINTAINING OR IMPROVING THE EDUCATION ENVIRONMENT FOR OUR CHILDREN WHO ARE HAVING THEIR NEIGHBORHOOD SCHOOLS CLOSED.

THE PLEDGE IS TO MAINTAIN PROGRAMS AND IMPROVE FACILTIES IF SCHOOLS ARE CLOSED. BUT IF THERE IS NO FUNDING FOR SCIENCE LABS, COMPUTER MODULES AND BUILDING RENOVATIONS, HOW DO WE KEEP THAT PROMISE TO THE COMMUNITY? FOR CHILDREN WHOSE ONLY HOT MEAL COMES AT SCHOOL, DO WE CONTINUE TO CLOSE FULL SERVICE SCHOOL KITCHENS? SOME LACK FIRE SUPPRESSORS. WE BAND-AID ONE PROBLEM BUT BY DOING SO WE AGGRAVATE OTHERS.

WE HAVE RECENTLY UNDERGONE A SERIES OF SHOOTING INCIDENTS NEAR AND IN OUR SCHOOLS. CRIME CAME IN OFF THE STREETS RECENTLY WHEN A POLICE OFFICER PURSUED A CRIMINAL WHO SOUGHT REFUGE THROUGH AN OPEN

DOOR AT STANTON ELEMENTARY SCHOOL. THE MAN WAS SHOT IN SIGHT OF CHILDREN, NONE OF WHOM WERE HURT, LUCKILY. THE RESULTING HUE AND CRY FROM A CONCERNED COMMUNITY LED SOME TO PROPOSE HIRING RETIRED POLICE AND PLACING THEM IN THE SCHOOL HALLS, POSSIBLY ARMED. A PROPOSAL TO HIRE FORTY AT A COST OF $25,000 A YEAR WOULD IMPRISON A MILLION DOLLARS A YEAR OF OUR SCARCE CLASSROOM RESOURCES.

A CLOSER EXAMINATION OF THE STANTON INCIDENT SUGGESTS THAT ANY GUARD, ARMED OR NOT, WOULD NOT HAVE PREVENTED THE SHOOTING FROM TAKING PLACE. WHAT WOULD HAVE STOPPED THE TRESSPASS WOULD HAVE BEEN A SECURE FRONT DOOR, RATHER THAN ONE LEFT OPEN. SIMPLE ENOUGH! WE SHOULD MONITOR THE DOORS AGAINST INTRUDERS WITH VIDEO TECHNOLOGY. WE DON'T NEED A PRISON ATMOSPHERE AND WE CAN DISCOURAGE SECURITY BREACHES BY EQUIPPING EACH SCHOOL WITH UP TO TEN VIDEO CAMS, A SIGNALING DEVICE, INTERCOMS, TV MONITORS AND VIDEO TAPE RECORDER AT APPROXIMATELY THE COST OF ONE RETIRED OFFICER FOR ONE YEAR.

TO FULLY EQUIP EACH D.C. SCHOOL WITH VIDEO SECURITY WOULD REQUIRE APPROXIMATELY $3.9 MILLION. AN ALTERNATIVE OF EQUIPPING ONLY THE MAIN ENTRANCE OF EACH SCHOOL WOULD COST APPROXIMATELY $2.2 MILLION.

IT DOES US NO GOOD TO EQUIP SCHOOLS WITH FIRE DOORS WITH CRASH BARS IF WE CHAIN THEM SHUT. I OBSERVE THIS THROUGHOUT THE SCHOOL SYSTEM! SECURITY FROM CRIME IS THE JUSTIFICATION FOR LOCKING CHILDREN INTO A FIRE HAZARD SITUATION. THE FEAR IS THAT SOMEONE WILL OPEN THE DOORS TO OUTSIDERS WHO WILL ENTER SCHOOLS TO DO HARM TO OUR STUDENTS. IF THE VIDEO SYSTEM I AM REQUESTING IS INSTALLED, WE WOULD KNOW THE DOOR IS OPEN AND THE PERSON RESPONSIBLE. IT WOULD DRAMATICALLY REDUCE THE NUMBER OF PERSON HOURS SPENT IN HALL PATROLLING AND STATIC DOOR WATCHES.

I HAVE TRIED TO BE AS SPECIFIC AS I CAN BE AT THIS TIME AS TO THE PROJECTED COSTS OF EACH OF THESE VITAL HEALTH AND SAFETY MEASURES FOR D.C. PUBLIC SCHOOLS. I AM ASSURED YOU CAN OBTAIN ITEMIZED COST ESTIMATES FROM THE SCHOOL ADMINISTRATION REGARDING THESE SPECIFIC PROJECTS. IF, IN YOUR DISCRETION, YOU SEE FIT TO FUND ONE OR BOTH PROJECTS PROPOSED; I BEG YOU EARMARK THE FUNDS!

IN THE CURRENT CLIMATE OF FISCAL AUSTERITY IN THE DISTRICT THE MAYOR CARRIES AUTHORITY TO WITHHOLD THE CAPITAL FUNDING OF INDEPENDENT AGENCIES INCLUDING THE BOARD OF EDUCATION. AS IN THE RECENT PAST, I BELIEVE WITHOUT A SPECIFIC MANDATE FROM CONGRESS REGARDING THE USE OF ANY APPROPRIATED FUNDS FOR SAFETY AND HEALTH PROJECTS, THE CITY COULD ESSENTIALLY REPROGRAM FUNDS TO OFF SET YOUR WISHES. IN THIS BUDGET CRISIS, FOR ALL THE "CHILDREN FIRST" RHETORIC, THE CHILDREN ARE BEING GIVEN A VERY LEAKY LIFEBOAT!

MY THANKS TO THE COMMITTEE FOR YOUR CONSIDERATION.

DISTRICT OF COLUMBIA
PUBLIC SCHOOLS

Office of the Superintendent

415 12th Street, N.W.
Washington, D.C. 20004
(202) 724-4222
FAX (202) 727-1516

April 22, 1993

To the Board of Education
of the District of Columbia

Ladies and Gentlemen:

SUBJECT: BILL 10-226: THE "RETIRED POLICE OFFICERS PUBLIC SCHOOLS SECURITY PERSONNEL DEPLOYMENT EMERGENCY AMENDMENT ACT OF 1993"

Please be advised that the Council of the District of Columbia ("Council") passed the above-referenced bill on Wednesday, April 14, 1993. It will go into effect upon signature by the Mayor or, in the event of a veto by the Mayor, upon an override of this veto by the Council. Attached, for your information, are both a copy of the bill and resolution attendant to it.

As you can see, this legislation provides that all former D.C. police officers, retired before April 1, 1993, except disability annuitants, are eligible to be rehired as D.C. Public Schools ("DCPS") security personnel, without jeopardy to their retirement benefits. However, as you can also see, any police officer rehired under the terms of this bill:

- "shall be paid a salary of no more than that equal to the salary paid a Class 1, step 1 Officer with the Metropolitan Police Department and shall not be eligible for longevity pay, or overtime pay;" and
- "shall not have the authority to carry a firearm."

In addition, please be aware of two more responsibilities which will be placed on the School System with the enactment of this legislation:

- "[a]ll costs associated with the hiring of retired police officers as school security guards shall be absorbed within the D.C. Public Schools' budget;" and
- "[t]o the extent possible, the Board of Education shall install metal detectors in junior and senior high schools in accordance with the Board's commitment in the fiscal year 1992 budget process."

I will inform you of when this bill goes into effect. If you wish to discuss this subject further, please feel free to contact me or to have your staff call Paula Perelman, DCPS Legislative Counsel, in my office.

Respectfully submitted,

Franklin L. Smith
Superintendent of Schools
Chief State School Officer

FLS:ljs

Attachments

cc: Mrs. Marion D. Williams

Enrolled Original

A PROPOSED RESOLUTION

10-27

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

April 7, 1993

To declare the existence of an emergency with respect to the deployment of retired D.C. police officers as security personnel in the D.C. Public Schools without jeopardy to their retirement benefits.

RESOLVED, BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this resolution may be cited as the "Retired Police Officer Public Schools Security Personnel Deployment Amendment Act Emergency Declaration Resolution of 1993".

Sec. 2. The Council of the District of Columbia finds that:

(a) On January 28, 1993, a D.C. Public Schools ("DCPS") security guard was shot and severly wounded in a D.C. public school;

(b) On February 8, 1993, a 21 year-old DCPS student was found fatally shot in the doorway of a D.C. public school;

(c) On March 31, 1993, a teenager was shot on the ball field next to a DCPS elementary school; and

(d) On April 1, 1993, police shot a suspect in the hallway of a DCPS elementary school.

(e) Retired D.C. police officers who are trained in crowd control, negotiating tactics and firearm usage, might be willing to serve as such security personnel if they would not jeopardize their retirement benefits by doing so.

(f) Under current law, retired D.C. police officers, hired as DCPS security personnel, would sacrifice retirement benefits by working for the School System, and are, therefore, unlikely to accept such employment.

(g) It is the duty of the D.C. School Board and all D.C. City Officials to insure safety of both students and staff of D.C. Public Schools, as this violence is a reflection of the neighborhood violence, it is in the interest of the city to have the most experienced security personnel allowed.

Sec. 3. The Council of the District of Columbia determines that the circumstances enumerated in Section 2 constitute emergency circumstances making it necessary that the "Retired Police Officer Public Schools Security Personnel Deployment Amendment Act Emergency Declaration Resolution of 1993" be adopted after a single reading.

Sec. 4. This resolution shall take effect immediately.

5 APR 1993

Dr. Franklin Smith
Superintendent of Schools
415-12th Street, N.W.
Washington, D.C. 20004

Dear Dr. Smith:

The safety of our children while in attendance in our public schools is of major concern to all of us. As one of the District of Columbia agencies charged with inspectional responsibilities, the Fire and EMS Department recognizes its responsibilities to inspect all District of Columbia public Schools; to reinspect those schools where fire code violations are found to ensure abatement; and to impose sanctions when violations are not corrected.

Over the past few years no public school in the District has been in full compliance with the Fire Code at any given time. In 1992 all public schools were inspected by the Fire Prevention Division of the Fire and EMS Department and proper notices were issued informing your office through the school's Safety Office and principals of fire code violations. Some abatement has taken place, however, many violations remain outstanding.

This letter is to inform you that it is my intention to effectuate closure of all schools not in compliance with the Fire Prevention Code at the beginning of the 1993-1994 school year.

If you have any questions, please do not hesitate to contact my office at 673-3320.

Sincerely,

R. Alfred
Fire Chief

FLS VIOLATIONS SUMMARY REPORT FY 93

Building Staff:	Total	Corr.	Remain.
Capacity Card.	0	0	0
Compressed Gas Cylinder not Secured.	0	0	0
Damaged Windows.	0	0	0
Defective Safety Switch.	0	0	0
Exit Signs.	106	0	106
Electrical Hazards - Minor.	24	0	24
Elevator Warning Signs, & No Smoking Signs.	0	0	0
Fire Extinguishers.	251	224	27
Fire Alarm (Placard).	45	0	45
Fire Curtains (Damaged, Missing or needed Repairs).	1	0	1
Fire Drills (Logs and/or Records of Fire Tests).	1	0	1
Fire Doors (Glazing, Hardware and/or Locks - Minor).	246	95	151
Fire Escape Handrails (Broken, Missing or needed Repairs).	0	0	0
Fire Labels and/or Sign.	1	0	1
Insufficient Lighting.	18	0	18
Improper Storage.	359	313	46
Kitchen Filters.	3	3	0
List of Chemical and Quantities for Fire Department.	25	0	25
Obstructions.	25	25	0
Poor House Keeping.	67	63	4
Peeling Paint & Plaster.	16	15	1
Safety Can Missing.	0	0	0
Unapproved Evacuation Plan.	0	0	0
Venting.	1	0	1
Sub Totals	1189	738	451
Percent	100%	62%	38%

Maintenance Center:			
Drop Ceilings (Replaced or Repaired).	149	6	143
Defective Gas Stove and/or Appliance.	6	0	6
Emergency Generator (Out of Service).	0	0	0
Electrical Hazards - Major.	39	0	39
Emergency Lights.	0	0	0
Fire Alarm System.	7	4	3
Fire Doors (Glazing, Hardware and/or Locks - Major) (<=5).	513	250	263
Fuel Tank Leaking Oil.	0	0	0
Improper Wall and/or Fire Separation.	0	0	0
Heat & Smoke Detectors.	13	0	13
Standpipe.	0	0	0
Sprinkler System.	2	0	2
Structural Damage.	0	0	0
Venting - Major.	1	0	1
* **Maintenance Response Unit (Breached Wall Areas).**	14	0	14
* **Maintenance Response Unit (Fire Doors)**	31	10	21
Sub Totals	775	270	505
Percent	100%	35%	65%

Capital Construction:			
Fire Suppression System Kitchen (Provide).	3	0	3
Fire Doors (Glazing, Hardware and/or Locks - Major) (>10).	231	65	166
Sub Totals	234	65	169
Percent	100%	28%	72%

FLS Totals	2198	1073	1125
FLS Percent	100%	49%	51%

Environmental **Date:** 5/3/93 **Time:** 15:09:51

DRAFT

FIRE CODE VIOLATIONS SUMMARY CORRECTION REPORT

SCHOOL NAME	BLDG	WARD	TYPE	VIOLATIONS	CORRECTED	REMAINING
Adams ES.	201	1	ES	0	0	0
Aiton Elem.	202	7	ES	40	11	29
Amidon ELEM.	203	2	ES	0	0	0
Anacostia S.H.S.	450	6	SHS	0	0	0
Armstrong A.E.C.	451	5	AEC	0	0	0
Backus J.H.S.	401	5	JHS	7	0	7
Ballou S.H.S.	452	8	SHS / STAY	0	0	0
Bancroft ELEM.	204	1	ES	0	0	0
Banneker S.H.S.	402	1	SHS	0	0	0
Barnard ELEM.	205	4	ES	0	0	0
Beers Elem. School	206	7	ES / CS	0	0	0
Bell A.E.C.	475	1	AEC	0	0	0
Benning ELEM.	207	7	ES	33	28	5
Birney Elem. School	208	8	ES	0	0	0
Blow ELEM.	210	6	ES	0	0	0
Bowen Elem. School	211	2	ES	0	0	0
Brent ELEM.	212	6	ES	0	0	0
Brightwood Elem. School	213	4	ES	5	0	5
Brookland Elem. School	346	5	ES	0	0	0
Browne J.H.S.	404	5	JHS	0	0	0
Bruce Monroe C.S.	296	1	CS	0	0	0
Bryan ELEM.	216	6	ES	32	22	10
Buchanan Learning Center	217	6	LC	34	27	7
Bundy ELEM.	218	2	ES	0	0	0
Bunker Hill ELEM.	219	5	CS	2	0	2
Burdick C.D.C.	476	4	CDC /AEC	0	0	0
Burroughs ELEM.	220	5	ES	1	0	1
Burrville ELEM.	221	7	ES	0	0	0
Capitol Hill Cluster School	301	6	ES	0	0	0
Cardozo S.H.S.	454	1	SHS	0	0	0
Carver ELEM.	222	7	ES	0	0	0
Chamberlain C.D.C.	477	6	CDC /AEC	0	0	0
Clark ELEM.	223	4	ES	1	0	1
Cleveland ELEM.	224	1	ES	0	0	0
Cook, J.F. ELEM.	226	5	ES	0	0	0
Cooke, H.D. Elem. School	227	1	ES	0	0	0
Coolidge S.H.S.	455	4	SHS	0	0	0

Environmental Systems Compliance Unit **Date:** 5/3/93 **Time:** 14:20:37

FIRE CODE VIOLATIONS SUMMARY CORRECTION REPORT

SCHOOL NAME	BLDG	WARD	TYPE	VIOLATIONS	CORRECTED	REMAINING
Davis ELEM.	229	7	ES	0	0	0
DC St. Academy (Old Brookland)	214	5	ACE.	2	0	2
Deal J.H.S.	405	3	JHS	4	0	4
Douglass J.H.S.	406	8	JHS	122	26	96
Draper ELEM.	230	8	ES	130	84	46
Drew ELEM.	231	7	ES	0	0	0
Dunbar S.H.S.	467	5	SHS	0	0	0
Eastern S.H.S.	457	6	SHS	4	0	4
Eaton ELEM.	232	3	ES	0	0	0
EDMONDS	234	0	ASED FACIL	0	0	0
Eliot J.H.S.	407	6	JHS	0	0	0
Ellington SCH. OF ARTS	471	3	SHS	0	0	0
Emery ELEM.	235	5	ES	25	17	8
Evans J.H.S.	408	7	JHS	0	0	0
Fillmore Art Ctr.	237	2	ES	0	0	0
Fletcher Johnson-E.C.	348	7	EC	0	0	0
Food Services Ware House	520	5	WARE	0	0	0
Fort Lincoln-C.S.	351	5	CS	7	0	7
Francis-J.H.S.	409	2	JHS	0	0	0
Franklin School- AEC.	521	2	ADMIN	0	0	0
Friendship E.C./Patricia Roberts H	352	8	CS	86	0	86
Gage Eckington ELEM.	281	1	ES	0	0	0
Garfield-ELEM.	238	8	ES	90	71	19
Garnet Patterson J.H.S.	410	1	JHS	0	0	0
Garrison ELEM.	239	2	ES	0	0	0
Gibbs ELEM.	240	6	ES	0	0	0
Giddings ELEM.	241	6	ES	18	12	6
Goding ELEM.	242	6	ES	0	0	0
Gordon A.E.C.	411	2	AEC	0	0	0
Grant (School Without Walls)	243	2	AEC	16	14	2
Green ELEM.	244	8	ES	29	0	29
Grimke Elem. School	00	0	ES	0	0	0
Hamilton J.H.S. (Dix St. Acad.)	412	5	ADMIN / SHS	0	0	0
Harbor Garage	513	0	WARE	0	0	0
Hardy Elem. School	246	3	ES	0	0	0
Harris Elem. School	247	7	ES	0	0	0
Harrison Upper Campus Tri-Sch. L	248	1	ES	0	0	0

Environmental Systems Compliance Unit **Date:** 5/3/93 **Time:** 14:20:55

FIRE CODE VIOLATIONS SUMMARY CORRECTION REPORT

SCHOOL NAME	BLDG	WARD	TYPE	VIOLATIONS	CORRECTED	REMAINING
Hart J.H.S.	413	8	JHS	22	0	22
Hayes ELEM.	505	2	ES	0	0	0
Hearst ELEM.	258	3	ES	0	0	0
Hendley ELEM.	249	8	ES	35	0	35
Hine J.H.S.	414	6	JHS	0	0	0
Houston ELEM.	251	7	ES	32	11	21
Hyde Elem. School	252	2	ES	0	0	0
Inter High Connection	482	0	VOC	0	0	0
Jackson-Sch/Arts	253	3	Sch/Arts	0	0	0
Janney ELEM.	254	3	ES	0	0	0
Jefferson J.H.S.	415	2	JHS	42	0	42
Johnson J.H.S.	416	8	JHS	0	0	0
Keene Elem. School	255	4	ES	0	0	0
Kenilworth ELEM.	256	7	ES	67	14	53
Ketcham ELEM.	257	6	ES	0	0	0
Key ELEM.	272	3	ES	0	0	0
Kimball ELEM.	259	7	ES	0	0	0
King, M.L.Jr. E.S.	344	8	ES	0	0	0
Kingsman ELEM.	260	6	ES	0	0	0
Kramer Annex (Facil. Mangmt.)	433	6	ADMIN	0	0	0
Kramer J.H.S.	417	6	JHS	0	0	0
Lafayette ELEM.	261	3	ES	0	0	0
Langdon Elem. School	262	5	ES	0	0	0
Langley J.H.S.	418	5	JHS	50	26	24
Langston Elem. School	263	5	ES	0	0	0
Lasalle ELEM.	264	4	ES	3	0	3
Lawrence Ave. Ware House	??	0	WARE	0	0	0
Leckie ELEM.	266	8	ES	33	0	33
Lee, Mamie D.Sp.ED.	265	4	Special ED./ E	1	0	1
Lenox Elem. School	267	6	ES	0	0	0
Lewis ELEM.	268	1	ES	0	0	0
Lincoln J.H.S.	419	1	JHS	0	0	0
Logan C.S.	269	6	CS / B & VI	0	0	0
Lovejoy-Adm. Bldg.	270	6	ADMIN	0	0	0
Ludlow Taylor ELEM.	271	6	ES	0	0	0
MacFarland J.H.S.	420	4	JHS	18	0	18
Maintenance Shop	518	2	?	0	0	0

FIRE CODE VIOLATIONS SUMMARY CORRECTION REPORT

SCHOOL NAME	BLDG	WARD	TYPE	VIOLATIONS	CORRECTED	REMAINING
Malcolm X Elem. School	308	8	ES	0	0	0
Mann ELEM.	273	3	ES	0	0	0
Maury ELEM.	274	6	ES	0	0	0
McGogney ELEM.	275	8	ES	14	13	1
McKinley S.H.S.	458	5	SHS	1	0	1
Meritt ELEM.	277	7	ES	0	0	0
Meyers ELEM.	278	1	ES	7	0	7
Miller, Kelly J.H.S.	421	7	JHS	0	0	0
Miner ELEM.	280	6	ES	0	0	0
Montgomery ELEM.	282	2	ES	0	0	0
Moten ELEM.	285	8	ES	0	0	0
Murch ELEM.	287	3	ES	0	0	0
Nalle ELEM.	288	7	ES	0	0	0
Nichols Ave School	289	0	ES	0	0	0
Noyes ELEM.	290	5	ES	11	0	11
Old Congress Heights (N/MLK)	225	8	ADMIN	0	0	0
Orr Elem. School	291	6	ES	0	0	0
Oyster ELEM.	292	3	ES	0	0	0
Parkview ELEM.	293	1	ES	0	0	0
Patterson ELEM.	294	8	ES	0	0	0
Paul J.H.S.	422	4	JHS	18	0	18
Payne ELEM.	295	6	ES	50	22	28
Penn Center C.D.C. + Annex	481	5	CDC	4	0	4
Penn Center Ware House	508	5	WARE	0	0	0
Petworth ELEM.	298	4	ES	3	0	3
Phelps A.E.C.	478	5	ACE.	21	15	6
Plummer Elem. School	299	7	ES	73	57	16
Powell ELEM.	300	4	ES	2	0	2
Presidential Building	506	2	ADMIN	0	0	0
Prospect L.C. (Wormley)	483	2	L.C.	0	0	0
Rabaut J.H.S.	423	4	JHS	3	0	3
Randle Highlands Elem. School	316	7	ES	0	0	0
Raymond ELEM.	302	4	ES	1	0	1
Reed Elem. School	284	1	ES /CS	0	0	0
Richardson ELEM.	303	7	ES	161	96	65
River Terrace C.S.	304	7	CS	0	0	0
Roosevelt SHS	459	4	SHS / AEC	0	0	0

FIRE CODE VIOLATIONS SUMMARY CORRECTION REPORT

SCHOOL NAME	BLDG	WARD	TYPE	VIOLATIONS	CORRECTED	REMAINING
Roper J.H.S.	425	7	JHS	0	0	0
Ross ELEM.	305	2	ES	0	0	0
Rudolph ELEM.	306	4	ES	0	0	0
Savoy Elem. School	307	8	ES	29	19	10
Seaton ELEM.	309	2	ES	0	0	0
Shadd ELEM.	310	7	ES	83	66	17
Shaed Elem. School	311	5	ES	42	21	21
Sharpe Health School	312	4	Special ED	2	0	2
Shaw ELEM.	432	2	ES	0	0	0
Shepherd Elem.	313	4	ES	8	0	8
Simon Elem. School	315	8	ES	145	109	36
Slater-Langston Elem. School	318	5	ES	34	30	4
Slowe Elem. School	342	5	ES	0	0	0
Smothers Elem. School	322	7	ES	0	0	0
Sousa J.H.S.	427	7	JHS	0	0	0
Spingarn S.H.S.	460	5	SHS	0	0	0
Stanton Elem. School	319	6	ES	0	0	0
Stevens Elem. School	320	2	ES	0	0	0
Stoddert Elem. School	321	3	ES	0	0	0
Stuart Hobson Elem. School	428	6	ES	30	20	10
Sumner Building	019	0	Museum ?	0	0	0
Syphax Elem. School	323	2	ES	0	0	0
Taft J.H.S.	429	5	J.H.S.	96	60	36
Takoma C.S.	324	4	C.S.	2	0	2
Terrell J.H.S.	430	2	J.H.S.	11	0	11
Terrell, M.C. Elem. School	353	8	M.C.	0	0	0
Thomas ELEM.	325	7	ES	0	0	0
Thomson Elem. School	326	2	ES	0	0	0
Transportation	515	5	?	0	0	0
Truesedell ELEM.	327	4	ES	7	0	7
Tubman ELEM.	328	1	ES	0	0	0
Turner ELEM.	329	8	ES	0	0	0
Tyler Elem. School (Vison Prog.)	330	6	ES	31	18	13
Van Ness ELEM.	331	2	ES	0	0	0
Walker Jones ELEM.	332	2	ES	0	0	0
Ware House 1 (Adams Pl.)	516	5	WARE	0	0	0
Wash.Highlands-C.S./Ferebee Hop	343	8	C.S.	0	0	0

FIRE CODE VIOLATIONS SUMMARY CORRECTION REPORT

SCHOOL NAME	BLDG	WARD	TYPE	VIOLATIONS	CORRECTED	REMAINING
Washington, M.M. V.O.C.	479	5	VOC /AEC	0	0	0
Watkins ELEM.	333	6	ES	0	0	0
Weatherless ELEM.	334	7	ES	36	13	23
Webb ELEM.	335	5	ES	74	46	28
Webster Admin. Bldg.	465	2	ADMIN	0	0	0
West ELEM.	336	4	ES	0	0	0
Wheatley ELEM.	337	5	ES	40	15	25
Whittier ELEM.	338	4	ES	0	0	0
Wilkinson ELEM.	354	8	ES	0	0	0
Wilson,J.O.ELEM.	339	2	ES	9	0	9
Winston C.S.	355	7	CS	0	0	0
Woodridge ELEM.	340	5	ES	84	58	26
Woodrow Wilson,S.H.S.	463	7	S.H.S.	2	0	2
Woodson, C.G. J.H.S.	431	7	J.H.S.	0	0	0
Woodson,H.D. S.H.S.	464	7	S.H.S.	0	0	0
Young Elem. School	341	5	ES	73	32	41
	Totals			**2198**	**1073**	**1125**
	Percentages			**100%**	**49%**	**51%**

Environmental Systems Compliance Unit **Date:** 5/3/93 **Time:** 14 21 56

THE INDIVIDUAL SCHOOL FIRE CODE BREAKDOWN 2

SCHOOL NAME: Aiton Elem. BLDG NO. 202 BUILT: 1960 BLDG SIZE: 57100 Sq. Ft.
ADDRESS: 533 48th. Pl. N.E Washington, D.C. 20019 WARD: 7 PHONE 724-4627

VIOL. TOTALS	BLDG. STAFF	MAINT. CENTER	ALT. REPAIRS	CAP. IMPROV.	THE TYPE OF VIOLATIONS	VIOL. CORR.	VIOL. REMAIN.
2	0	2	0	0	Drop Ceilings (Replaced or Repaired)	0	2
1	1	0	0	0	Exit Signs	0	1
1	1	0	0	0	Extinguisher	1	0
1	1	0	0	0	Fire Drills.	0	1
25	0	0	0	25	Fire Door (Glazing, Hardware and/or Locks)	0	25
10	10	0	0	0	Improper Storage	10	0
40	13	2	0	25	Totals	11	29
100%	33%	5%		63%	Percentages	28%	73%

Environmental Systems Compliance Unit Date: 5/3/93 Time: 10:25:28

2019

THE INDIVIDUAL SCHOOL FIRE CODE BREAKDOWN 2

SCHOOL NAME: Backus J.H.S. BLDG NO. 401 BUILT: 1963 BLDG SIZE: 126800 Sq. Ft
ADDRESS: 236 S. Dakota &. Hamilton .St.N.E. Washington, D.C WARD: 5 PHONE 567-6110

VIOL. TOTALS	BLDG. STAFF	MAINT. CENTER	ALT. REPAIRS	CAP. IMPROV.	THE TYPE OF VIOLATIONS	VIOL. CORR.	VIOL. REMAIN.
3	3	0	0	0	Extinguisher	0	3
1	0	1	0	0	Fire Alarm System	0	1
3	3	0	0	0	Improper Storage	0	3
7	6	1	0	0	Totals	0	7
100%	86%	14%			Percentages	0%	100%

2020

Environmental Systems Compliance Unit Date: 5/3/93 Time: 10 30 21

THE INDIVIDUAL SCHOOL FIRE CODE BREAKDOWN 2

SCHOOL NAME: Benning ELEM. BLDG NO. 207 BUILT: UnKnowr BLDG SIZE: 70900 Sq. Ft.
ADDRESS: 41st.& Ames St. N.E. Washington, D.C. WARD: 7 PHONE 724-4586

VIOL. TOTALS	BLDG. STAFF	MAINT. CENTER	ALT. REPAIRS	CAP. IMPROV.	THE TYPE OF VIOLATIONS	VIOL. CORR.	VIOL. REMAIN.
5	0	5	0	0	Drop Ceilings (Replaced or Repaired)	1	4
3	3	0	0	0	Extinguisher	3	0
12	0	0	0	12	Fire Door (Glazing, Hardware and/or Locks)	12	0
10	10	0	0	0	Improper Storage	10	0
2	2	0	0	0	Poor House Keeping	2	0
1	0	1	0	0	Sprinkler System	0	1
33	15	6	0	12	Totals	28	5
100%	45%	18%		36%	Percentages	85%	15%

Environmental Systems Compliance Unit Date: 5/3/93 Time: 10:11:06

2021

THE INDIVIDUAL SCHOOL FIRE CODE BREAKDOWN 2

SCHOOL NAME: Brightwood Elem. School BLDG NO. 213 BUILT: 1926 BLDG SIZE: 40000 Sq Ft
ADDRESS: 13th. & Nicholson St. N.W. D.C. WARD: 4 PHONE 576-6199

VIOL. TOTALS	BLDG. STAFF	MAINT. CENTER	ALT. REPAIRS	CAP. IMPROV.	THE TYPE OF VIOLATIONS	VIOL. CORR.	VIOL. REMAIN.
1	1	0	0	0	Extinguisher	0	1
2	0	2	0	0	Fire Door (Glazing, Hardware and/or Locks)	0	2
2	2	0	0	0	Improper Storage	0	2
5	3	2	0	0	Totals	0	5
100%	60%	40%			Percentages	0%	100%

2022

Environmental Systems Compliance Unit Date: 5/3/93 Time: 10:31:30

THE INDIVIDUAL SCHOOL FIRE CODE BREAKDOWN 2

SCHOOL NAME: Bryan ELEM. BLDG NO. 216 BUILT: 1902 BLDG SIZE: 54700 Sq Ft
ADDRESS: 13th.St. & Independence Ave. S.E. Washington D.C. WARD: 6 PHONE 724-4686

VIOL. TOTALS	BLDG. STAFF	MAINT. CENTER	ALT. REPAIRS	CAP. IMPROV.	THE TYPE OF VIOLATIONS	VIOL. CORR.	VIOL. REMAIN.
4	0	4	0	0	Drop Ceilings (Replaced or Repaired)	1	3
3	0	3	0	0	Electrical Hazard	0	3
2	2	0	0	0	Exit Signs	0	2
2	2	0	0	0	Extinguisher	2	0
7	1	0	6	0	Fire Door (Glazing, Hardware and/or Locks)	6	1
10	10	0	0	0	Improper Storage	10	0
3	3	0	0	0	Poor House Keeping	3	0
1	1	0	0	0	Sprinkler System	0	1
32	19	7	6	0	Totals	22	10
100%	59%	22%	19%		Percentages	69%	31%

2023

Environmental Systems Compliance Unit Date: 5/3/93 Time: 10 32 53

THE INDIVIDUAL SCHOOL FIRE CODE BREAKDOWN 2

SCHOOL NAME: Buchanan Learning Center BLDG NO. 217 BUILT: 1895 BLDG SIZE: 57000 Sq. Ft.
ADDRESS: 13th. D. St. S.E. D.C. WARD: 6 PHONE 724-3835

VIOL. TOTALS	BLDG. STAFF	MAINT. CENTER	ALT. REPAIRS	CAP. IMPROV.	THE TYPE OF VIOLATIONS	VIOL. CORR.	VIOL. REMAIN.
1	1	0	0	0	List of Chemicals and Quantities for Fire Departme	0	1
2	0	2	0	0	Electrical Hazard	0	2
2	2	0	0	0	Exit Signs	0	2
6	6	0	0	0	Extinguisher	6	0
1	1	0	0	0	Fire Alarm (Placard)	0	1
8	4	4	0	0	Fire Door (Glazing, Hardware and/or Locks)	8	0
1	1	0	0	0	Insuficient lighting	0	1
8	8	0	0	0	Improper Storage	8	0
1	1	0	0	0	Obstructions	1	0
2	2	0	0	0	Poor House Keeping	2	0
2	2	0	0	0	Peeling Paint & Plaster	2	0
34	28	6	0	0	Totals	27	7
100%	82%	18%			Percentages	79%	21%

2024

Environmental Systems Compliance Unit Date: 5/3/93 Time: 10:33:45

THE INDIVIDUAL SCHOOL FIRE CODE BREAKDOWN 2

SCHOOL NAME: Bunker Hill ELEM. BLDG NO. 219 BUILT: 0 BLDG SIZE: 69400 Sq. Ft.
ADDRESS: 14th. Michigan AVE. N.E. Washington, D.C. 20017 WARD: 5 PHONE 576-6983

VIOL. TOTALS	BLDG. STAFF	MAINT. CENTER	ALT. REPAIRS	CAP. IMPROV.	THE TYPE OF VIOLATIONS	VIOL. CORR.	VIOL. REMAIN.
2	2	0	0	0	Fire Door (Glazing, Hardware and/or Locks)	0	2
2	2	0	0	0	Totals	0	2
100%	100%				Percentages	0%	100%

2025

Environmental Systems Compliance Unit Date: 5/3/93 Time: 10:34:07

THE INDIVIDUAL SCHOOL FIRE CODE BREAKDOWN 2

SCHOOL NAME: Burroughs ELEM. BLDG NO. 220 BUILT: 1942 BLDG SIZE: 63900 Sq Ft.
ADDRESS: 18th.& Monroe St. N.E Washington, D.C. WARD: 5 PHONE 576-6039

VIOL. TOTALS	BLDG. STAFF	MAINT. CENTER	ALT. REPAIRS	CAP. IMPROV.	THE TYPE OF VIOLATIONS	VIOL. CORR.	VIOL. REMAIN.
1	0	1	0	0	Fire Door (Glazing, Hardware and/or Locks)	0	1
1	0	1	0	0	Totals	0	1
100%		100%			Percentages	0%	100%

2026

THE INDIVIDUAL SCHOOL FIRE CODE BREAKDOWN 2

SCHOOL NAME: Clark ELEM. BLDG NO. 223 BUILT: 1968 BLDG SIZE: 53800 Sq. Ft.
ADDRESS: 7 th. & Webster St. N.W.Washington, D.C. WARD: 4 PHONE 576-6219

VIOL. TOTALS	BLDG. STAFF	MAINT. CENTER	ALT. REPAIRS	CAP. IMPROV.	THE TYPE OF VIOLATIONS	VIOL. CORR.	VIOL. REMAIN.
1	1	0	0	0	Extinguisher	0	1
1	**1**	**0**	**0**	**0**	**Totals**	**0**	**1**
100%	**100%**				**Percentages**	**0%**	**100%**

2027

Environmental Systems Compliance Unit Date: 5/3/93 Time: 10:17:31

THE INDIVIDUAL SCHOOL FIRE CODE BREAKDOWN 2

SCHOOL NAME: DC St. Academy (Old Brookl; BLDG NO. 214 BUILT: UnKnowr BLDG SIZE: 26911 Sq. Ft.
ADDRESS: 10 th. & Monroe Street N.E. Washington D.C. 20017 WARD: 5 PHONE 576-7005

VIOL. TOTALS	BLDG. STAFF	MAINT. CENTER	ALT. REPAIRS	CAP. IMPROV.	THE TYPE OF VIOLATIONS	VIOL. CORR.	VIOL. REMAIN.
2	0	2	0	0	Fire Door (Glazing, Hardware and/or Locks)	0	2
2	0	2	0	0	Totals	0	2
100%		100%			Percentages	0%	100%

2028

THE INDIVIDUAL SCHOOL FIRE CODE BREAKDOWN 2

SCHOOL NAME: Deal J.H.S. BLDG NO. 405 BUILT: 19310 BLDG SIZE: 26911 Sq. Ft.
ADDRESS: FT. Drive & Nebraska AVE. N.W. Washington, D.C. WARD: 3 PHONE 282-0100

VIOL. TOTALS	BLDG. STAFF	MAINT. CENTER	ALT. REPAIRS	CAP. IMPROV.	THE TYPE OF VIOLATIONS	VIOL. CORR.	VIOL. REMAIN.
1	1	0	0	0	Extinguisher	0	1
3	0	3	0	0	Fire Door (Glazing, Hardware and/or Locks)	0	3
4	**1**	**3**	**0**	**0**	**Totals**	**0**	**4**
100%	25%	75%			**Percentages**	0%	100%

2029

Environmental Systems Compliance Unit Date: 5/3/93 Time: 10:39:47

THE INDIVIDUAL SCHOOL FIRE CODE BREAKDOWN 2

SCHOOL NAME: Douglass J.H.S. BLDG NO. 406 BUILT: 1952 BLDG SIZE: 58580 Sq. Ft.
ADDRESS: Pomeroy & Stanton Rd. S.E. Washington, D.C. 20020 WARD: 8 PHONE 767-7190

VIOL. TOTALS	BLDG. STAFF	MAINT. CENTER	ALT. REPAIRS	CAP. IMPROV.	THE TYPE OF VIOLATIONS	VIOL. CORR.	VIOL. REMAIN.
1	1	0	0	0	Breached Wall	0	1
3	0	3	0	0	Drop Ceilings (Replaced or Repaired)	0	3
11	11	0	0	0	Exit Signs	0	11
4	4	0	0	0	Extinguisher	4	0
14	14	0	0	0	Fire Alarm (Placard)	0	14
69	35	0	0	34	Fire Door (Glazing, Hardware and/or Locks)	3	66
1	1	0	0	0	Insuficient lighting	0	1
18	18	0	0	0	Improper Storage	18	0
1	1	0	0	0	Poor House Keeping	1	0
122	85	3	0	34	Totals	26	96
100%	70%	2%		28%	Percentages	21%	79%

2030

Environmental Systems Compliance Unit Date: 5/3/93 Time: 10:41:20

THE INDIVIDUAL SCHOOL FIRE CODE BREAKDOWN 2

SCHOOL NAME: Draper ELEM. BLDG NO. 230 BUILT: 1953 BLDG SIZE: 44745 Sq. Ft.
ADDRESS: Wahler & Wheeler RD. S.E. D.C. WARD: 8 PHONE 767-7034

VIOL. TOTALS	BLDG. STAFF	MAINT. CENTER	ALT. REPAIRS	CAP. IMPROV.	THE TYPE OF VIOLATIONS	VIOL. CORR.	VIOL. REMAIN.
6	0	6	0	0	Drop Ceilings (Replaced or Repaired)	0	6
5	3	2	0	0	Electrical Hazard	0	5
1	1	0	0	0	Exit Signs	0	1
28	28	0	0	0	Extinguisher	28	0
70	17	0	0	53	Fire Door (Glazing, Hardware and/or Locks)	36	34
18	18	0	0	0	Improper Storage	18	0
1	1	0	0	0	Kitchen Filters	1	0
1	1	0	0	0	Poor House Keeping	1	0
130	69	8	0	53	Totals	84	46
100%	53%	6%		41%	Percentages	65%	35%

Environmental Systems Compliance Unit Date: 5/3/93 Time: 10:42:56

2031

THE INDIVIDUAL SCHOOL FIRE CODE BREAKDOWN 2

SCHOOL NAME: Eastern S.H.S. BLDG NO. 457 BUILT: 1923 BLDG SIZE: 288800 Sq. Ft.
ADDRESS: 1730 East Capitol St. N.E. D.C. WARD: 6 PHONE 724-4805

VIOL. TOTALS	BLDG. STAFF	MAINT. CENTER	ALT. REPAIRS	CAP. IMPROV.	THE TYPE OF VIOLATIONS	VIOL. CORR.	VIOL. REMAIN.
2	2	0	0	0	Extinguisher	0	2
2	0	2	0	0	Fire Door (Glazing, Hardware and/or Locks)	0	2
4	**2**	**2**	**0**	**0**	**Totals**	**0**	**4**
100%	50%	50%			**Percentages**	0%	100%

2032

Environmental Systems Compliance Unit **Date:** 5/3/93 **Time:** 10:43:31

THE INDIVIDUAL SCHOOL FIRE CODE BREAKDOWN 2

SCHOOL NAME: Emery ELEM. BLDG NO. 235 BUILT: 1902 BLDG SIZE: 63800 Sq. Ft.
ADDRESS: Lincoln Rd. &S. St. N.E. Washington, D.C. 20002 WARD: 5 PHONE 576-6034

VIOL. TOTALS	BLDG. STAFF	MAINT. CENTER	ALT. REPAIRS	CAP. IMPROV.	THE TYPE OF VIOLATIONS	VIOL. CORR.	VIOL. REMAIN.
4	0	4	0	0	Drop Ceilings (Replaced or Repaired)	2	2
1	1	0	0	0	Fire Alarm (Placard)	1	0
3	2	1	0	0	Fire Door (Glazing, Hardware and/or Locks)	2	1
1	0	1	0	0	Heat & Smoke Detectors	1	0
9	3	6	0	0	Totals	6	3
100%	33%	67%			Percentages	67%	33%

2033

THE INDIVIDUAL SCHOOL FIRE CODE BREAKDOWN 2

SCHOOL NAME: Fort Lincoln-C.S. BLDG NO. 351 BUILT: 1975 BLDG SIZE: 103754 Sq. Ft.
ADDRESS: Fort Lincoln and Barney Drive N.E. Washington D.C. WARD: 5 PHONE 576-6900

VIOL. TOTALS	BLDG. STAFF	MAINT. CENTER	ALT. REPAIRS	CAP. IMPROV.	THE TYPE OF VIOLATIONS	VIOL. CORR.	VIOL. REMAIN.
2	0	2	0	0	Drop Ceilings (Replaced or Repaired)	0	2
5	1	4	0	0	Fire Door (Glazing, Hardware and/or Locks)	0	5
7	1	6	0	0	Totals	0	7
100%	14%	86%			Percentages	0%	100%

2034

THE INDIVIDUAL SCHOOL FIRE CODE BREAKDOWN 2

SCHOOL NAME: Friendship E.C./Patricia Robe BLDG NO. 352 BUILT: 1976 BLDG SIZE: 41000 Sq. Ft.
ADDRESS: Livingston Rd. South Capitol St. S.E. Washington, D.(WARD: 8 PHONE 767-7184

VIOL. TOTALS	BLDG. STAFF	MAINT. CENTER	ALT. REPAIRS	CAP. IMPROV.	THE TYPE OF VIOLATIONS	VIOL. CORR.	VIOL. REMAIN.
22	0	22	0	0	Drop Ceilings (Replaced or Repaired)	0	22
10	10	0	0	0	Exit Signs	0	10
2	2	0	0	0	Extinguisher	0	2
2	2	0	0	0	Fire Alarm (Placard)	0	2
2	0	2	0	0	Fire Alarm System	0	2
29	2	0	0	27	Fire Door (Glazing, Hardware and/or Locks)	0	29
4	4	0	0	0	Insuficient lighting	0	4
9	9	0	0	0	Improper Storage	0	9
4	4	0	0	0	Poor House Keeping	0	4
2	2	0	0	0	Heat & Smoke Detectors	0	2
86	35	24	0	27	Totals	0	86
100%	41%	28%		31%	Percentages	0%	100%

Environmental Systems Compliance Unit Date: 5/3/93 Time: 10 47 20

THE INDIVIDUAL SCHOOL FIRE CODE BREAKDOWN 2

SCHOOL NAME: Garfield-ELEM. BLDG NO. 238 BUILT: 1910 BLDG SIZE: 54200 Sq. Ft.
ADDRESS: 15th. & Alabama Ave. S.E. Washington, D.C. WARD: 8 PHONE 767-7113

VIOL. TOTALS	BLDG. STAFF	MAINT. CENTER	ALT. REPAIRS	CAP. IMPROV.	THE TYPE OF VIOLATIONS	VIOL. CORR.	VIOL. REMAIN.
2	2	0	0	0	Breached Wall	0	2
2	0	2	0	0	Drop Ceilings (Replaced or Repaired)	0	2
4	4	0	0	0	Electrical Hazard	0	4
3	3	0	0	0	Exit Signs	0	3
5	5	0	0	0	Extinguisher	5	0
57	2	0	0	55	Fire Door (Glazing, Hardware and/or Locks)	51	6
1	0	0	0	1	Fire Suppression System Kitchen (Provide)	0	1
1	1	0	0	0	Insuficient lighting	0	1
13	13	0	0	0	Improper Storage	13	0
2	2	0	0	0	Peeling Paint & Plaster	2	0
90	32	2	0	56	Totals	71	19
100%	36%	2%		62%	Percentages	79%	21%

2036

Environmental Systems Compliance Unit Date: 5/3/93 Time: 10.48.47

THE INDIVIDUAL SCHOOL FIRE CODE BREAKDOWN 2

SCHOOL NAME: Giddings ELEM. BLDG NO. 241 BUILT: 1887 BLDG SIZE: 55900 Sq. Ft.
ADDRESS: 4th & G Street, S.E. Washington, D.C. 20003 WARD: 6 PHONE 724-4745

VIOL. TOTALS	BLDG. STAFF	MAINT. CENTER	ALT. REPAIRS	CAP. IMPROV.	THE TYPE OF VIOLATIONS	VIOL. CORR.	VIOL. REMAIN.
2	0	2	0	0	Drop Ceilings (Replaced or Repaired)	1	1
1	1	0	0	0	Electrical Hazard	0	1
3	3	0	0	0	Exit Signs	0	3
1	1	0	0	0	Extinguisher	1	0
5	1	4	0	0	Fire Door (Glazing, Hardware and/or Locks)	5	0
1	1	0	0	0	Insuficient lighting	0	1
3	3	0	0	0	Improper Storage	3	0
1	1	0	0	0	Obstructions	1	0
1	1	0	0	0	Poor House Keeping	1	0
18	12	6	0	0	Totals	12	6
100%	67%	33%			Percentages	67%	33%

Environmental Systems Compliance Unit Date: 5/3/93 Time: 10.49.26

2037

THE INDIVIDUAL SCHOOL FIRE CODE BREAKDOWN 2

SCHOOL NAME: Grant (School Without Walls) BLDG NO. 243 BUILT: 1882 BLDG SIZE: 32000 Sq. Ft.
ADDRESS: 21St. G St. N.W. Washington, D.C. 20037 WARD: 2 PHONE 724-4889

VIOL. TOTALS	BLDG. STAFF	MAINT. CENTER	ALT. REPAIRS	CAP. IMPROV.	THE TYPE OF VIOLATIONS	VIOL. CORR.	VIOL. REMAIN.
1	1	0	0	0	Breached Wall	0	1
1	1	0	0	0	Exit Signs	0	1
2	2	0	0	0	Extinguisher	2	0
9	1	0	8	0	Fire Door (Glazing, Hardware and/or Locks)	9	0
2	2	0	0	0	Improper Storage	2	0
1	1	0	0	0	Peeling Paint & Plaster	1	0
16	8	0	8	0	Totals	14	2
100%	50%		50%		Percentages	88%	13%

2038

Environmental Systems Compliance Unit Date: 5/3/93 Time: 10:51:00

THE INDIVIDUAL SCHOOL FIRE CODE BREAKDOWN 2

SCHOOL NAME: Green ELEM. BLDG NO. 244 BUILT: UnKnowi BLDG SIZE: 77700 Sq. Ft.
ADDRESS: 4th. & Mississippi AVE. S.E.Washington, D.C. 20032 WARD: 8 PHONE 767-7098

VIOL. TOTALS	BLDG. STAFF	MAINT. CENTER	ALT. REPAIRS	CAP. IMPROV.	THE TYPE OF VIOLATIONS	VIOL. CORR.	VIOL. REMAIN.
16	0	16	0	0	Drop Ceilings (Replaced or Repaired)	0	16
1	0	1	0	0	Electrical Hazard	0	1
1	1	0	0	0	Exit Signs	0	1
1	1	0	0	0	Fire Alarm (Placard)	0	1
9	1	0	8	0	Fire Door (Glazing, Hardware and/or Locks)	0	9
1	1	0	0	0	Improper Storage	0	1
29	4	17	8	0	Totals	0	29
100%	14%	59%	28%		Percentages	0%	100%

2039

Environmental Systems Compliance Unit Date: 5/3/93 Time: 10:51:42

THE INDIVIDUAL SCHOOL FIRE CODE BREAKDOWN 2

SCHOOL NAME: Hart J.H.S. BLDG NO. 413 BUILT: UnKnown BLDG SIZE: 210700 Sq. Ft.
ADDRESS: 601 Mississippi Ave. S.E. Wash. D.C. WARD: 8 PHONE

VIOL. TOTALS	BLDG. STAFF	MAINT. CENTER	ALT. REPAIRS	CAP. IMPROV.	THE TYPE OF VIOLATIONS	VIOL. CORR.	VIOL. REMAIN.
2	1	1	0	0	Electrical Hazard	0	2
3	3	0	0	0	Fire Alarm (Placard)	0	3
16	7	0	9	0	Fire Door (Glazing, Hardware and/or Locks)	0	16
1	1	0	0	0	Improper Storage	0	1
22	12	1	9	0	Totals	0	22
100%	55%	5%	41%		Percentages	0%	100%

THE INDIVIDUAL SCHOOL FIRE CODE BREAKDOWN 2

SCHOOL NAME: Hendley ELEM. BLDG NO. 249 BUILT: 1959 BLDG SIZE: 73200 Sq. Ft.
ADDRESS: 6th.&Chesapeake St. S.E. Washington, D.C. WARD: 8 PHONE 767-7095

VIOL. TOTALS	BLDG. STAFF	MAINT. CENTER	ALT. REPAIRS	CAP. IMPROV.	THE TYPE OF VIOLATIONS	VIOL. CORR.	VIOL. REMAIN.
1	0	1	0	0	Drop Ceilings (Replaced or Repaired)	0	1
2	1	1	0	0	Electrical Hazard	0	2
4	4	0	0	0	Exit Signs	0	4
1	1	0	0	0	Fire Alarm (Placard)	0	1
25	2	0	0	23	Fire Door (Glazing, Hardware and/or Locks)	0	25
2	2	0	0	0	Improper Storage	0	2
35	10	2	0	23	Totals	0	35
100%	29%	6%		66%	Percentages	0%	100%

2041

Environmental Systems Compliance Unit Date: 5/3/93 Time: 11:00:28

THE INDIVIDUAL SCHOOL FIRE CODE BREAKDOWN 2

SCHOOL NAME: Houston ELEM. BLDG NO. 251 BUILT: 1961 BLDG SIZE: 59900 Sq. Ft.
ADDRESS: 1100 50th.St. N.E. Washington, D.C. 20019 WARD: 7 PHONE 724-4662

VIOL. TOTALS	BLDG. STAFF	MAINT. CENTER	ALT. REPAIRS	CAP. IMPROV.	THE TYPE OF VIOLATIONS	VIOL. CORR.	VIOL. REMAIN.
3	0	3	0	0	Drop Ceilings (Replaced or Repaired)	0	3
2	2	0	0	0	Exit Signs	0	2
20	0	0	0	20	Fire Door (Glazing, Hardware and/or Locks)	4	16
6	6	0	0	0	Improper Storage	6	0
1	1	0	0	0	Poor House Keeping	1	0
32	9	3	0	20	Totals	11	21
100%	28%	9%		63%	Percentages	34%	66%

2042

Environmental Systems Compliance Unit Date: 5/3/93 Time: 11:01:11

THE INDIVIDUAL SCHOOL FIRE CODE BREAKDOWN 2

SCHOOL NAME: Jefferson J.H.S. BLDG NO. 415 BUILT: 1940 BLDG SIZE: 109000 Sq Ft
ADDRESS: 8th.& H.St.S.W.Washington, D.C. WARD: 2 PHONE 724-4881

VIOL. TOTALS	BLDG. STAFF	MAINT. CENTER	ALT. REPAIRS	CAP. IMPROV.	THE TYPE OF VIOLATIONS	VIOL. CORR.	VIOL. REMAIN.
7	2	5	0	0	Electrical Hazard	0	7
1	1	0	0	0	Exit Signs	0	1
5	5	0	0	0	Extinguisher	0	5
19	7	0	0	12	Fire Door (Glazing, Hardware and/or Locks)	0	19
2	2	0	0	0	Insuficient lighting	0	2
7	7	0	0	0	Improper Storage	0	7
1	1	0	0	0	Venting	0	1
42	25	5	0	12	Totals	0	42
100%	60%	12%		29%	Percentages	0%	100%

Environmental Systems Compliance Unit Date: 5/3/93 Time: 11 02 05

2043

THE INDIVIDUAL SCHOOL FIRE CODE BREAKDOWN 2

SCHOOL NAME: Kenilworth ELEM. BLDG NO. 256 BUILT: 1962 BLDG SIZE: 57100 Sq. Ft.
ADDRESS: 44th. Nash & Ord St. N.E.Washington, D.C. WARD: 7 PHONE 724-4643

VIOL. TOTALS	BLDG. STAFF	MAINT. CENTER	ALT. REPAIRS	CAP. IMPROV.	THE TYPE OF VIOLATIONS	VIOL. CORR.	VIOL. REMAIN.
10	0	10	0	0	Drop Ceilings (Replaced or Repaired)	0	10
2	0	2	0	0	Electrical Hazard	0	2
6	6	0	0	0	Extinguisher	6	0
2	2	0	0	0	Fire Alarm (Placard)	0	2
41	2	0	0	39	Fire Door (Glazing, Hardware and/or Locks)	2	39
6	6	0	0	0	Improper Storage	6	0
67	16	12	0	39	Totals	14	53
100%	24%	18%		58%	Percentages	21%	79%

2044

Environmental Systems Compliance Unit Date: 5/3/93 Time: 11:03:02

THE INDIVIDUAL SCHOOL FIRE CODE BREAKDOWN 2

SCHOOL NAME: Langley J.H.S. BLDG NO. 418 BUILT: 1923 BLDG SIZE: 110131 Sq. Ft.
ADDRESS: 1st.& T. Street N.E. Washington, D.C. 20002 WARD: 5 PHONE 576-6326

VIOL. TOTALS	BLDG. STAFF	MAINT. CENTER	ALT. REPAIRS	CAP. IMPROV.	THE TYPE OF VIOLATIONS	VIOL. CORR.	VIOL. REMAIN.
1	1	0	0	0	List of Chemicals and Quantities for Fire Departme	0	1
4	0	4	0	0	Drop Ceilings (Replaced or Repaired)	0	4
3	0	3	0	0	Electrical Hazard	0	3
7	7	0	0	0	Exit Signs	0	7
3	3	0	0	0	Extinguisher	3	0
2	2	0	0	0	Fire Alarm (Placard)	0	2
9	3	0	6	0	Fire Door (Glazing, Hardware and/or Locks)	3	6
1	1	0	0	0	Insuficient lighting	0	1
11	11	0	0	0	Improper Storage	11	0
1	1	0	0	0	Kitchen Filters	1	0
4	4	0	0	0	Obstructions	4	0
4	4	0	0	0	Poor House Keeping	4	0
50	37	7	6	0	Totals	26	24
100%	74%	14%	12%		Percentages	52%	48%

Environmental Systems Compliance Unit Date: 5/3/93 Time: 11 03 50

2045

THE INDIVIDUAL SCHOOL FIRE CODE BREAKDOWN 2

SCHOOL NAME: Lasalle ELEM. BLDG NO. 264 BUILT: 1957 BLDG SIZE: 63000 Sq. Ft
ADDRESS: Riggs Road &Madison St.. N.E. D.C. WARD: 4 PHONE 576-6120

VIOL. TOTALS	BLDG. STAFF	MAINT. CENTER	ALT. REPAIRS	CAP. IMPROV.	THE TYPE OF VIOLATIONS	VIOL. CORR.	VIOL. REMAIN.
3	0	3	0	0	Fire Door (Glazing, Hardware and/or Locks)	0	3
3	**0**	**3**	**0**	**0**	**Totals**	**0**	**3**
100%		**100%**			**Percentages**	**0%**	**100%**

2046

Environmental Systems Compliance Unit Date: 5/3/93 Time: 11 04 19

THE INDIVIDUAL SCHOOL FIRE CODE BREAKDOWN 2

SCHOOL NAME: Lockie ELEM. BLDG NO. 266 BUILT: 1970 BLDG SIZE: 6500 Sq. Ft.
ADDRESS: Chespeake St. & ML King Ave. S.E. D.C. WARD: 8 PHONE 767-7056

VIOL. TOTALS	BLDG. STAFF	MAINT. CENTER	ALT. REPAIRS	CAP. IMPROV.	THE TYPE OF VIOLATIONS	VIOL. CORR.	VIOL. REMAIN.
1	1	0	0	0	Breached Wall	0	1
3	0	3	0	0	Drop Ceilings (Replaced or Repaired)	0	3
1	1	0	0	0	Electrical Hazard	0	1
3	3	0	0	0	Extinguisher	0	3
20	5	0	0	15	Fire Door (Glazing, Hardware and/or Locks)	0	20
2	2	0	0	0	Insuficient lighting	0	2
3	3	0	0	0	Improper Storage	0	3
33	15	3	0	15	Totals	0	33
100%	45%	9%		45%	Percentages	0%	100%

2047

Environmental Systems Compliance Unit Date: 5/3/93 Time: 11:05:00

THE INDIVIDUAL SCHOOL FIRE CODE BREAKDOWN 2

SCHOOL NAME: Lee, Mamie D.Sp.ED. BLDG NO. 265 BUILT: 1971 BLDG SIZE: 45800 Sq. Ft.
ADDRESS: Fort Totten Drive&Hamilton Street N.E. Washington, I WARD: 4 PHONE 576-6090

VIOL. TOTALS	BLDG. STAFF	MAINT. CENTER	ALT. REPAIRS	CAP. IMPROV.	THE TYPE OF VIOLATIONS	VIOL. CORR.	VIOL. REMAIN.
1	0	1	0	0	Fire Door (Glazing, Hardware and/or Locks)	0	1
1	0	1	0	0	Totals	0	1
100%		100%			Percentages	0%	100%

2048

Environmental Systems Compliance Unit Date: 5/3/93 Time: 11:05:33

THE INDIVIDUAL SCHOOL FIRE CODE BREAKDOWN 2

SCHOOL NAME: MacFarland J.H.S. BLDG NO. 420 BUILT: 1923 BLDG SIZE: 110000 Sq. Ft.
ADDRESS: 4400 Iowa AVE. N.W.Washington, D.C. WARD: 4 PHONE 576-6207

VIOL. TOTALS	BLDG. STAFF	MAINT. CENTER	ALT. REPAIRS	CAP. IMPROV.	THE TYPE OF VIOLATIONS	VIOL. CORR.	VIOL. REMAIN.
1	1	0	0	0	Exit Signs	0	1
4	4	0	0	0	Extinguisher	0	4
12	0	0	0	12	Fire Door (Glazing, Hardware and/or Locks)	0	12
1	1	0	0	0	Improper Storage	0	1
18	6	0	0	12	Totals	0	18
100%	33%			67%	Percentages	0%	100%

2049

Environmental Systems Compliance Unit Date: 5/3/93 Time: 11:06:07

THE INDIVIDUAL SCHOOL FIRE CODE BREAKDOWN 2

SCHOOL NAME: McGogney ELEM. BLDG NO. 275 BUILT: 1966 BLDG SIZE: 55549 Sq. Ft.
ADDRESS: Wheeler Rd. & Miss. Ave. S.E. Washington, D.C. WARD: 8 PHONE 767-7043

S	BLDG. STAFF	MAINT. CENTER	ALT. REPAIRS	CAP. IMPROV.	THE TYPE OF VIOLATIONS	VIOL. CORR.	VIOL. REMAIN.
	6	0	0	0	Extinguisher	6	0
	0	0	6	0	Fire Door (Glazing, Hardware and/or Locks)	6	0
	0	1	0	0	Install Dust Collection System in Woodshop	0	1
	1	0	0	0	Improper Storage	1	0
	7	1	6	0	Totals	13	1
	50%	7%	43%		Percentages	93%	7%

2050

Environmental Systems Compliance Unit Date: 5/3/93 Time: 11:06:42

THE INDIVIDUAL SCHOOL FIRE CODE BREAKDOWN 2

SCHOOL NAME: McKinley S.H.S. BLDG NO. 458 BUILT: 1928 BLDG SIZE: 282155 Sq. Ft.
ADDRESS: 2nd.&St.T. N.E. D.C. WARD: 5 PHONE 576-6011

VIOL. TOTALS	BLDG. STAFF	MAINT. CENTER	ALT. REPAIRS	CAP. IMPROV.	THE TYPE OF VIOLATIONS	VIOL. CORR.	VIOL. REMAIN.
1	0	1	0	0	Fire Door (Glazing, Hardware and/or Locks)	0	1
1	**0**	**1**	**0**	**0**	**Totals**	**0**	**1**
100%		100%			**Percentages**	0%	100%

2051

Environmental Systems Compliance Unit Date: 5/3/93 Time: 11 07 10

THE INDIVIDUAL SCHOOL FIRE CODE BREAKDOWN 2

SCHOOL NAME: Meyers ELEM. BLDG NO. 278 BUILT: 1963 BLDG SIZE: 62194 Sq. Ft.
ADDRESS: 11th.&Clifton St. N.W. D.C. WARD: 1 PHONE 673-7259

VIOL. TOTALS	BLDG. STAFF	MAINT. CENTER	ALT. REPAIRS	CAP. IMPROV.	THE TYPE OF VIOLATIONS	VIOL. CORR.	VIOL. REMAIN.
6	5	1	0	0	Fire Door (Glazing, Hardware and/or Locks)	0	6
1	1	0	0	0	Improper Storage	0	1
7	**6**	**1**	**0**	**0**	**Totals**	**0**	**7**
100%	86%	14%			**Percentages**	0%	100%

2052

Environmental Systems Compliance Unit Date: 5/3/93 Time: 11:07:41

THE INDIVIDUAL SCHOOL FIRE CODE BREAKDOWN 2

SCHOOL NAME: Noyes ELEM. BLDG NO. 290 BUILT: 1931 BLDG SIZE: 49700 Sq Ft.
ADDRESS: 10th.&Franklin St. N.E. D.C. WARD: 5 PHONE 576-6071

VIOL. TOTALS	BLDG. STAFF	MAINT. CENTER	ALT. REPAIRS	CAP. IMPROV.	THE TYPE OF VIOLATIONS	VIOL. CORR.	VIOL. REMAIN.
10	6	4	0	0	Fire Door (Glazing, Hardware and/or Locks)	0	10
1	1	0	0	0	Improper Storage	0	1
11	7	4	0	0	Totals	0	11
100%	64%	36%			Percentages	0%	100%

Environmental Systems Compliance Unit Date: 5/3/93 Time: 11 08 12

2053

THE INDIVIDUAL SCHOOL FIRE CODE BREAKDOWN 2

SCHOOL NAME: Paul J.H.S. BLDG NO. 422 BUILT: 1930 BLDG SIZE: 128351 Sq. Ft.
ADDRESS: 8th. & Oglethorpe St. N.W. Washington, D.C. WARD: 4 PHONE 576-6190

VIOL. TOTALS	BLDG. STAFF	MAINT. CENTER	ALT. REPAIRS	CAP. IMPROV.	THE TYPE OF VIOLATIONS	VIOL. CORR.	VIOL. REMAIN.
1	0	1	0	0	Electrical Hazard	0	1
1	1	0	0	0	Extinguisher	0	1
15	0	0	0	15	Fire Door (Glazing, Hardware and/or Locks)	0	15
1	1	0	0	0	Improper Storage	0	1
18	**2**	**1**	**0**	**15**	**Totals**	**0**	**18**
100%	11%	6%		83%	**Percentages**	0%	100%

2054

Environmental Systems Compliance Unit Date: 5/1 Time: 11:08:46

THE INDIVIDUAL SCHOOL FIRE CODE BREAKDOWN 2

SCHOOL NAME: Payne ELEM. BLDG NO. 295 BUILT: 1896 BLDG SIZE: 83800 Sq. Ft.
ADDRESS: 15th.& C.St.N.E.Washington, D.C. WARD: 6 PHONE 724-4674

VIOL. TOTALS	BLDG. STAFF	MAINT. CENTER	ALT. REPAIRS	CAP. IMPROV.	THE TYPE OF VIOLATIONS	VIOL. CORR.	VIOL. REMAIN.
2	0	2	0	0	Drop Ceilings (Replaced or Repaired)	0	2
8	8	0	0	0	Exit Signs	0	8
5	5	0	0	0	Extinguisher	5	0
18	5	0	0	13	Fire Door (Glazing, Hardware and/or Locks)	1	17
11	11	0	0	0	Improper Storage	11	0
2	2	0	0	0	Obstructions	2	0
3	3	0	0	0	Poor House Keeping	3	0
1	0	1	0	0	Heat & Smoke Detectors	0	1
50	34	3	0	13	Totals	22	28
100%	68%	6%		26%	Percentages	44%	56%

2055

Environmental Systems Compliance Unit Date: 5/3/93 Time: 11:09:37

THE INDIVIDUAL SCHOOL FIRE CODE BREAKDOWN 2

SCHOOL NAME: Penn Center C.D.C. + Annex BLDG NO. 481 BUILT: 0 BLDG SIZE: 105500 Sq Ft
ADDRESS: 1709 3rd. St. N.E. Washington, D.C. WARD: 5 PHONE 576-6308

VIOL. TOTALS	BLDG. STAFF	MAINT. CENTER	ALT. REPAIRS	CAP. IMPROV.	THE TYPE OF VIOLATIONS	VIOL. CORR.	VIOL. REMAIN.
1	0	1	0	0	Electrical Hazard	0	1
1	0	1	0	0	Fire Door (Glazing, Hardware and/or Locks)	0	1
2	2	0	0	0	Improper Storage	0	2
4	**2**	**2**	**0**	**0**	**Totals**	**0**	**4**
100%	50%	50%			**Percentages**	0%	100%

2056

Environmental Systems Compliance Unit **Date:** 5/3/93 **Time:** 11:10:06

THE INDIVIDUAL SCHOOL FIRE CODE BREAKDOWN 2

SCHOOL NAME: Petworth ELEM. BLDG NO. 298 BUILT: 1902 BLDG SIZE: 46900 Sq. Ft.
ADDRESS: 8th. & Shepherd St. N.W. Washington, D.C. WARD: 4 PHONE 576-6168

VIOL. TOTALS	BLDG. STAFF	MAINT. CENTER	ALT. REPAIRS	CAP. IMPROV.	THE TYPE OF VIOLATIONS	VIOL. CORR.	VIOL. REMAIN.
1	0	1	0	0	Electrical Hazard	0	1
2	0	2	0	0	Fire Door (Glazing, Hardware and/or Locks)	0	2
3	0	3	0	0	Totals	0	3
100%		100%			Percentages	0%	100%

Environmental Systems Compliance Unit Date: 5/3/93 Time: 11:43:31

2057

THE INDIVIDUAL SCHOOL FIRE CODE BREAKDOWN 2

SCHOOL NAME: Phelps A.E.C. BLDG NO. 478 BUILT: 1934 BLDG SIZE: 136000 Sq. Ft.
ADDRESS: 26th & Benning Road, N.E. Wash, D.C. 20019 WARD: 5 PHONE 724-4516

VIOL. TOTALS	BLDG. STAFF	MAINT. CENTER	ALT. REPAIRS	CAP. IMPROV.	THE TYPE OF VIOLATIONS	VIOL. CORR.	VIOL. REMAIN.
2	2	0	0	0	List of Chemicals and Quantities for Fire Departme	0	2
1	0	1	0	0	Drop Ceilings (Replaced or Repaired)	0	1
2	1	1	0	0	Electrical Hazard	0	2
1	1	0	0	0	Exit Signs	0	1
3	3	0	0	0	Extinguisher	3	0
3	0	3	0	0	Fire Door (Glazing, Hardware and/or Locks)	3	0
5	5	0	0	0	Improper Storage	5	0
3	3	0	0	0	Poor House Keeping	3	0
1	1	0	0	0	Peeling Paint & Plaster	1	0
21	16	5	0	0	Totals	15	6
100%	76%	24%			Percentages	71%	29%

2058

Environmental Systems Compliance Unit Date: 5/3/93 Time: 11:44:09

THE INDIVIDUAL SCHOOL FIRE CODE BREAKDOWN 2

SCHOOL NAME: Plummer Elem. School BLDG NO. 299 BUILT: 1959 BLDG SIZE: 69422 Sq. Ft.
ADDRESS: Texas Ave. & C St. S.E. Wash. D.C. WARD: 7 PHONE

VIOL. TOTALS	BLDG. STAFF	MAINT. CENTER	ALT. REPAIRS	CAP. IMPROV.	THE TYPE OF VIOLATIONS	VIOL. CORR.	VIOL. REMAIN.
2	2	0	0	0	Breached Wall	0	2
2	2	0	0	0	List of Chemicals and Quantities for Fire Departme	0	2
3	0	3	0	0	Drop Ceilings (Replaced or Repaired)	1	2
1	0	1	0	0	Defective Gas Appliance	0	1
1	0	1	0	0	Defective Gas Stove	0	1
2	1	1	0	0	Electrical Hazard	0	2
2	2	0	0	0	Exit Signs	0	2
8	8	0	0	0	Extinguisher	8	0
1	1	0	0	0	Fire Alarm (Placard)	0	1
1	1	0	0	0	Fire Curtains (Damaged, Missing, or needed Repair)	0	1
38	7	0	0	31	Fire Door (Glazing, Hardware and/or Locks)	38	0
1	0	0	0	1	Fire Suppression System Kitchen (Provide)	0	1
1	1	0	0	0	Insuficient lighting	0	1
6	6	0	0	0	Improper Storage	6	0
1	1	0	0	0	Obstructions	1	0
3	3	0	0	0	Poor House Keeping	3	0
73	35	6	0	32	Totals	57	16
100%	48%	8%		44%	Percentages	78%	22%

2059

Environmental Systems Compliance Unit Date: 5/3/93 Time: 11:45:03

THE INDIVIDUAL SCHOOL FIRE CODE BREAKDOWN 2

SCHOOL NAME: Powell ELEM. BLDG NO. 300 BUILT: 1929 BLDG SIZE: 38524 Sq. Ft.
ADDRESS: Upshur St.13th.N.W. Washington, D.C. WARD: 4 PHONE 576-6247

VIOL. TOTALS	BLDG. STAFF	MAINT. CENTER	ALT. REPAIRS	CAP. IMPROV.	THE TYPE OF VIOLATIONS	VIOL. CORR.	VIOL. REMAIN.
2	2	0	0	0	Fire Door (Glazing, Hardware and/or Locks)	0	2
2	**2**	**0**	**0**	**0**	**Totals**	**0**	**2**
100%	**100%**				**Percentages**	**0%**	**100%**

2060

THE INDIVIDUAL SCHOOL FIRE CODE BREAKDOWN 2

SCHOOL NAME: Rabaut J.H.S. BLDG NO. 423 BUILT: 1966 BLDG SIZE: 176900 Sq. Ft.
ADDRESS: North Dakota & Kansas Ave. N.W. D.C. WARD: 4 PHONE 576-6171

VIOL. TOTALS	BLDG. STAFF	MAINT. CENTER	ALT. REPAIRS	CAP. IMPROV.	THE TYPE OF VIOLATIONS	VIOL. CORR.	VIOL. REMAIN.
2	0	2	0	0	Fire Door (Glazing, Hardware and/or Locks)	0	2
1	1	0	0	0	Improper Storage	0	1
3	**1**	**2**	**0**	**0**	**Totals**	**0**	**3**
100%	**33%**	**67%**			**Percentages**	**0%**	**100%**

Environmental Systems Compliance Unit Date: 5/3/93 Time: 11:45:55

2091

THE INDIVIDUAL SCHOOL FIRE CODE BREAKDOWN 2

SCHOOL NAME: Raymond ELEM. BLDG NO. 302 BUILT: 1925 BLDG SIZE: 73600 Sq. Ft.
ADDRESS: 10th. St. & Spring RD. N.W. D.C. WARD: 4 PHONE 576-6236

VIOL. TOTALS	BLDG. STAFF	MAINT. CENTER	ALT. REPAIRS	CAP. IMPROV.	THE TYPE OF VIOLATIONS	VIOL. CORR.	VIOL. REMAIN.
1	1	0	0	0	Improper Storage	0	1
1	1	0	0	0	Totals	0	1
100%	100%				Percentages	0%	100%

2062

Environmental Systems Compliance Unit Date: 5/3/93 Time: 11:54:43

THE INDIVIDUAL SCHOOL FIRE CODE BREAKDOWN 2

SCHOOL NAME: Richardson ELEM. BLDG NO. 303 BUILT: 1948 BLDG SIZE: 63887 Sq Ft
ADDRESS: 53 Rd.&Blaine St.N.E. D.C. WARD: 7 PHONE 724-4577

VIOL. TOTALS	BLDG. STAFF	MAINT. CENTER	ALT. REPAIRS	CAP. IMPROV.	THE TYPE OF VIOLATIONS	VIOL. CORR.	VIOL. REMAIN.
7	0	7	0	0	Drop Ceilings (Replaced or Repaired)	0	7
3	3	0	0	0	Electrical Hazard	0	3
4	4	0	0	0	Exit Signs	0	4
12	12	0	0	0	Extinguisher	12	0
4	4	0	0	0	Fire Alarm (Placard)	0	4
2	0	2	0	0	Fire Alarm System	2	0
113	33	0	0	80	Fire Door (Glazing, Hardware and/or Locks)	67	46
9	9	0	0	0	Improper Storage	9	0
1	1	0	0	0	Obstructions	1	0
6	6	0	0	0	Peeling Paint & Plaster	5	1
161	72	9	0	80	Totals	96	65
100%	45%	6%		50%	Percentages	60%	40%

2063

Environmental Systems Compliance Unit Date: 5/3/93 Time: 11:57:38

THE INDIVIDUAL SCHOOL FIRE CODE BREAKDOWN 2

SCHOOL NAME: Savoy Elem. School BLDG NO. 307 BUILT: 1968 BLDG SIZE: 59003 Sq. Ft.
ADDRESS: 2400 Shannon Pl. S.E. Wash. D.C. WARD: 8 PHONE 767-7104

VIOL. TOTALS	BLDG. STAFF	MAINT. CENTER	ALT. REPAIRS	CAP. IMPROV.	THE TYPE OF VIOLATIONS	VIOL. CORR.	VIOL. REMAIN.
1	1	0	0	0	List of Chemicals and Quantities for Fire Departme	0	1
2	0	2	0	0	Drop Ceilings (Replaced or Repaired)	1	1
1	0	1	0	0	Defective Gas Stove	0	1
1	1	0	0	0	Electrical Hazard	0	1
1	1	0	0	0	Exit Signs	0	1
2	2	0	0	0	Extinguisher	2	0
12	4	0	8	0	Fire Door (Glazing, Hardware and/or Locks)	8	4
8	8	0	0	0	Improper Storage	8	0
1	0	1	0	0	Heat & Smoke Detectors	0	1
29	17	4	8	0	Totals	19	10
100%	59%	14%	28%		Percentages	66%	34%

2064

THE INDIVIDUAL SCHOOL FIRE CODE BREAKDOWN 2

SCHOOL NAME: Shadd ELEM. BLDG NO. 310 BUILT: 1955 BLDG SIZE: 67160 Sq. Ft.
ADDRESS: 55th.&East Capitol St. S.E. Washington, D.C. 20019 WARD: 7 PHONE 576-6052

VIOL. TOTALS	BLDG. STAFF	MAINT. CENTER	ALT. REPAIRS	CAP. IMPROV.	THE TYPE OF VIOLATIONS	VIOL. CORR.	VIOL. REMAIN.
1	1	0	0	0	Breached Wall	0	1
7	0	7	0	0	Drop Ceilings (Replaced or Repaired)	0	7
5	5	0	0	0	Exit Signs	0	5
21	21	0	0	0	Extinguisher	21	0
3	3	0	0	0	Fire Alarm (Placard)	0	3
1	0	1	0	0	Fire Alarm System	1	0
39	4	0	0	35	Fire Door (Glazing, Hardware and/or Locks)	39	0
1	0	0	0	1	Fire Suppression System Kitchen (Provide)	0	1
5	5	0	0	0	Improper Storage	5	0
83	39	8	0	36	Totals	66	17
100%	47%	10%		43%	Percentages	80%	20%

2065

Environmental Systems Compliance Unit Date: 5/3/93 Time: 12:07:32

THE INDIVIDUAL SCHOOL FIRE CODE BREAKDOWN 2

SCHOOL NAME: Shaed Elem. School **BLDG NO.** 311 **BUILT:** 1971 **BLDG SIZE:** 72661 Sq Ft
ADDRESS: Lincoln & Douglass St. N.E. Wash. D.C. **WARD:** 5 **PHONE** 576-6052

VIOL. TOTALS	BLDG. STAFF	MAINT. CENTER	ALT. REPAIRS	CAP. IMPROV.	THE TYPE OF VIOLATIONS	VIOL. CORR.	VIOL. REMAIN.
2	2	0	0	0	List of Chemicals and Quantities for Fire Departme	0	2
4	0	4	0	0	Drop Ceilings (Replaced or Repaired)	0	4
2	0	2	0	0	Defective Gas Stove	0	2
1	0	1	0	0	Electrical Hazard	0	1
4	4	0	0	0	Exit Signs	0	4
6	6	0	0	0	Extinguisher	6	0
1	1	0	0	0	Fire Alarm (Placard)	0	1
11	3	0	8	0	Fire Door (Glazing, Hardware and/or Locks)	5	6
1	1	0	0	0	Insuficient lighting	0	1
6	6	0	0	0	Improper Storage	6	0
3	3	0	0	0	Obstructions	3	0
1	1	0	0	0	Poor House Keeping	1	0
42	**27**	**7**	**8**	**0**	**Totals**	**21**	**21**
100%	**64%**	**17%**	**19%**		**Percentages**	**50%**	**50%**

2066

THE INDIVIDUAL SCHOOL FIRE CODE BREAKDOWN 2

SCHOOL NAME: Sharpe Health School BLDG NO. 312 BUILT: 1959 BLDG SIZE: 80543 Sq Ft
ADDRESS: 4300 13th. St. N.W. Washington, D.C. WARD: 4 PHONE 576-6161

VIOL. TOTALS	BLDG. STAFF	MAINT. CENTER	ALT. REPAIRS	CAP. IMPROV.	THE TYPE OF VIOLATIONS	VIOL. CORR.	VIOL. REMAIN.
1	0	1	0	0	Fire Door (Glazing, Hardware and/or Locks)	0	1
1	1	0	0	0	Improper Storage	0	1
2	**1**	**1**	**0**	**0**	**Totals**	**0**	**2**
100%	**50%**	**50%**			**Percentages**	**0%**	**100%**

2067

Environmental Systems Compliance Unit Date: 5/1/93 Time: 12:09:00

THE INDIVIDUAL SCHOOL FIRE CODE BREAKDOWN 2

SCHOOL NAME: Shepherd Elem. BLDG NO. 313 BUILT: 1932 BLDG SIZE: 79700 Sq. Ft.
ADDRESS: 14th.St.Kalmia Rd. N.W. Washington, D.C. 20012 WARD: 4 PHONE 576-6140

VIOL. TOTALS	BLDG. STAFF	MAINT. CENTER	ALT. REPAIRS	CAP. IMPROV.	THE TYPE OF VIOLATIONS	VIOL. CORR.	VIOL. REMAIN.
3	1	2	0	0	Fire Door (Glazing, Hardware and/or Locks)	0	3
5	5	0	0	0	Improper Storage	0	5
8	**6**	**2**	**0**	**0**	**Totals**	**0**	**8**
100%	75%	25%			**Percentages**	0%	100%

2068

Environmental Systems Compliance Unit Date: 5/3/93 Time: 12:09:24

THE INDIVIDUAL SCHOOL FIRE CODE BREAKDOWN 2

SCHOOL NAME: Simon Elem. School BLDG NO. 315 BUILT: 1950 BLDG SIZE: 66200 Sq. Ft.
ADDRESS: 4th. & Mississippi Ave. S.E. Wash. D.C. WARD: 8 PHONE 767-7068

VIOL. TOTALS	BLDG. STAFF	MAINT. CENTER	ALT. REPAIRS	CAP. IMPROV.	THE TYPE OF VIOLATIONS	VIOL. CORR.	VIOL. REMAIN.
2	2	0	0	0	Breached Wall	0	2
1	0	1	0	0	Drop Ceilings (Replaced or Repaired)	0	1
1	0	1	0	0	Defective Gas Stove	0	1
4	3	1	0	0	Electrical Hazard	0	4
10	10	0	0	0	Exit Signs	0	10
29	29	0	0	0	Extinguisher	28	1
76	26	0	0	50	Fire Door (Glazing, Hardware and/or Locks)	63	13
1	1	0	0	0	Insuficient lighting	0	1
18	18	0	0	0	Improper Storage	15	3
3	3	0	0	0	Poor House Keeping	3	0
145	92	3	0	50	Totals	109	36
100%	63%	2%		34%	Percentages	75%	25%

2069

THE INDIVIDUAL SCHOOL FIRE CODE BREAKDOWN 2

SCHOOL NAME: Slater-Langston Elem. School BLDG NO. 318 BUILT: 1902 BLDG SIZE: 22293 Sq. Ft.
ADDRESS: P St. (North Capital & 1st. St.) N.W. Wash. D.C. WARD: 5 PHONE 673-7212

VIOL. TOTALS	BLDG. STAFF	MAINT. CENTER	ALT. REPAIRS	CAP. IMPROV.	THE TYPE OF VIOLATIONS	VIOL. CORR.	VIOL. REMAIN.
3	3	0	0	0	Exit Signs	0	3
14	5	0	9	0	Fire Door (Glazing, Hardware and/or Locks)	13	1
14	14	0	0	0	Improper Storage	14	0
2	2	0	0	0	Obstructions	2	0
1	1	0	0	0	Poor House Keeping	1	0
34	**25**	**0**	**9**	**0**	**Totals**	**30**	**4**
100%	**74%**		**26%**		**Percentages**	**88%**	**12%**

2070

Environmental Systems Compliance Unit Date: 5/3/93 Time: 12:24:46

THE INDIVIDUAL SCHOOL FIRE CODE BREAKDOWN 2

SCHOOL NAME: Stuart Hobson Elem. School BLDG NO. 428 BUILT: 1927 BLDG SIZE: 105855 Sq. Ft.
ADDRESS: 4th. & E. St. N.E. Wash. D.C. WARD: 6 PHONE 724-4758

VIOL. TOTALS	BLDG. STAFF	MAINT. CENTER	ALT. REPAIRS	CAP. IMPROV.	THE TYPE OF VIOLATIONS	VIOL. CORR.	VIOL. REMAIN.
3	0	3	0	0	Drop Ceilings (Replaced or Repaired)	0	3
3	3	0	0	0	Exit Signs	0	3
3	3	0	0	0	Extinguisher	3	0
5	4	1	0	0	Fire Door (Glazing, Hardware and/or Locks)	1	4
10	10	0	0	0	Improper Storage	10	0
6	6	0	0	0	Poor House Keeping	6	0
30	26	4	0	0	Totals	20	10
100%	87%	13%			Percentages	67%	33%

2071

Environmental Systems Compliance Unit Date: 5/3/93 Time: 12:25:38

THE INDIVIDUAL SCHOOL FIRE CODE BREAKDOWN 2

SCHOOL NAME: Taft J.H.S. BLDG NO. 429 BUILT: 1933 BLDG SIZE: 194270 Sq. Ft.
ADDRESS: 18th.& Perry st. N.E. Washington, D.C. WARD: 5 PHONE 576-6101

VIOL. TOTALS	BLDG. STAFF	MAINT. CENTER	ALT. REPAIRS	CAP. IMPROV.	THE TYPE OF VIOLATIONS	VIOL. CORR.	VIOL. REMAIN.
2	2	0	0	0	List of Chemicals and Quantities for Fire Departme	0	2
8	0	8	0	0	Drop Ceilings (Replaced or Repaired)	0	8
4	1	3	0	0	Electrical Hazard	0	4
2	2	0	0	0	Exit Signs	0	2
27	27	0	0	0	Extinguisher	27	0
6	6	0	0	0	Fire Alarm (Placard)	0	6
16	7	0	9	0	Fire Door (Glazing, Hardware and/or Locks)	4	12
1	1	0	0	0	Insuficient lighting	0	1
17	17	0	0	0	Improper Storage	17	0
1	1	0	0	0	Fire Labels and/or Signs	0	1
3	3	0	0	0	Obstructions	3	0
9	9	0	0	0	Poor House Keeping	9	0
96	**76**	**11**	**9**	**0**	**Totals**	**60**	**36**
100%	**79%**	**11%**	**9%**		**Percentages**	**63%**	**38%**

2072

THE INDIVIDUAL SCHOOL FIRE CODE BREAKDOWN 2

SCHOOL NAME: Takoma C.S. BLDG NO. 324 BUILT: 1976 BLDG SIZE: 119000 Sq Ft
ADDRESS: Piney Branch RD.&Dahlia st. N.W. Washington, D.C. WARD: 4 PHONE 576-6193

VIOL. TOTALS	BLDG. STAFF	MAINT. CENTER	ALT. REPAIRS	CAP. IMPROV.	THE TYPE OF VIOLATIONS	VIOL. CORR.	VIOL. REMAIN.
1	0	1	0	0	Electrical Hazard	0	1
1	0	1	0	0	Fire Door (Glazing, Hardware and/or Locks)	0	1
2	0	2	0	0	Totals	0	2
100%		100%			Percentages	0%	100%

2073

THE INDIVIDUAL SCHOOL FIRE CODE BREAKDOWN 2

SCHOOL NAME: Terrell J.H.S. BLDG NO. 430 BUILT: UnKnowr BLDG SIZE: 143700 Sq. Ft.
ADDRESS: 1St.& Pierce St. N.W. Washington, D.C. 20001 WARD: 2 PHONE 724-4898

VIOL. TOTALS	BLDG. STAFF	MAINT. CENTER	ALT. REPAIRS	CAP. IMPROV.	THE TYPE OF VIOLATIONS	VIOL. CORR.	VIOL. REMAIN.
1	0	1	0	0	Electrical Hazard	0	1
1	1	0	0	0	Fire Alarm (Placard)	0	1
9	3	0	6	0	Fire Door (Glazing, Hardware and/or Locks)	0	9
11	4	1	6	0	Totals	0	11
100%	36%	9%	55%		Percentages	0%	100%

2074

Environmental Systems Compliance Unit Date: 5/3/93 Time: 12 27 54

THE INDIVIDUAL SCHOOL FIRE CODE BREAKDOWN 2

SCHOOL NAME: Truesedell ELEM. BLDG NO. 327 BUILT: 1967 BLDG SIZE: 69600 Sq. Ft.
ADDRESS: 8th & Ingraham St. N.W. D.C. WARD: 4 PHONE 576-6202

VIOL. TOTALS	BLDG. STAFF	MAINT. CENTER	ALT. REPAIRS	CAP. IMPROV.	THE TYPE OF VIOLATIONS	VIOL. CORR.	VIOL. REMAIN.
1	1	0	0	0	Exit Signs	0	1
2	2	0	0	0	Extinguisher	0	2
3	0	3	0	0	Fire Door (Glazing, Hardware and/or Locks)	0	3
1	1	0	0	0	Improper Storage	0	1
7	4	3	0	0	Totals	0	7
100%	57%	43%			Percentages	0%	100%

2075

Environmental Systems Compliance Unit Date: 5/3/93 Time: 12 28 21

THE INDIVIDUAL SCHOOL FIRE CODE BREAKDOWN 2

SCHOOL NAME: Tyler Elem. School (Vison Pr BLDG NO. 330 BUILT: 1949 BLDG SIZE: 69600 Sq Ft.
ADDRESS: 10th..&G.St.S.E.D.C. WARD: 6 PHONE 724-4739

VIOL. TOTALS	BLDG. STAFF	MAINT. CENTER	ALT. REPAIRS	CAP. IMPROV.	THE TYPE OF VIOLATIONS	VIOL. CORR.	VIOL. REMAIN.
2	0	2	0	0	Drop Ceilings (Replaced or Repaired)	0	2
1	0	1	0	0	Electrical Hazard	0	1
1	1	0	0	0	Exit Signs	0	1
5	5	0	0	0	Extinguisher	5	0
10	5	5	0	0	Fire Door (Glazing, Hardware and/or Locks)	1	9
11	11	0	0	0	Improper Storage	11	0
1	1	0	0	0	Obstructions	1	0
31	23	8	0	0	Totals	18	13
100%	74%	26%			Percentages	58%	42%

2076

Environmental Systems Compliance Unit Date: 5/3/93 Time: 12:33:55

THE INDIVIDUAL SCHOOL FIRE CODE BREAKDOWN 2

SCHOOL NAME: Weatherless ELEM. BLDG NO. 334 BUILT: 1970 BLDG SIZE: 49988 Sq. Ft.
ADDRESS: Burns&C ST. S.E. Washington, D.C. 20019 WARD: 7 PHONE 767-7016

VIOL. TOTALS	BLDG. STAFF	MAINT. CENTER	ALT. REPAIRS	CAP. IMPROV.	THE TYPE OF VIOLATIONS	VIOL. CORR.	VIOL. REMAIN.
3	0	0	3	0	Breached Wall	3	0
2	0	2	0	0	Drop Ceilings (Replaced or Repaired)	2	0
2	2	0	0	0	Fire Alarm (Placard)	2	0
16	1	0	0	15	Fire Door (Glazing, Hardware and/or Locks)	16	0
2	0	0	0	2	Fire Suppression System Kitchen (Provide)	2	0
25	3	2	3	17	Totals	25	0
100%	12%	8%	12%	68%	Percentages	100%	0%

2077

Environmental Systems Compliance Unit Date: 9/17/93 Time: 12:47:05

THE INDIVIDUAL SCHOOL FIRE CODE BREAKDOWN 2

SCHOOL NAME: Webb ELEM. BLDG NO. 335 BUILT: 1958 BLDG SIZE: 103700 Sq. Ft.
ADDRESS: MT.Olivet RD..& Holbrook PL... N.E.Washington, D WARD: 5 PHONE 724-4543

VIOL. TOTALS	BLDG. STAFF	MAINT. CENTER	ALT. REPAIRS	CAP. IMPROV.	THE TYPE OF VIOLATIONS	VIOL. CORR.	VIOL. REMAIN.
6	6	0	0	0	List of Chemicals and Quantities for Fire Departme	0	6
3	0	3	0	0	Drop Ceilings (Replaced or Repaired)	0	3
5	5	0	0	0	Exit Signs	0	5
2	2	0	0	0	Extinguisher	2	0
25	13	0	0	12	Fire Door (Glazing, Hardware and/or Locks)	13	12
20	20	0	0	0	Improper Storage	20	0
4	4	0	0	0	Obstructions	4	0
7	7	0	0	0	Poor House Keeping	7	0
2	1	1	0	0	Heat & Smoke Detectors	0	2
74	58	4	0	12	Totals	46	28
100%	78%	5%		16%	Percentages	62%	38%

2078

Environmental Systems Compliance Unit Date: 5/1/93 Time: 12:35:57

THE INDIVIDUAL SCHOOL FIRE CODE BREAKDOWN 2

SCHOOL NAME: Wheatley ELEM. BLDG NO. 337 BUILT: 1958 BLDG SIZE: 87200 Sq. Ft.
ADDRESS: Montello AVE.&Neal St. N.E. Washington, D.C. 2000 WARD: 5 PHONE 724-4555

VIOL. TOTALS	BLDG. STAFF	MAINT. CENTER	ALT. REPAIRS	CAP. IMPROV.	THE TYPE OF VIOLATIONS	VIOL. CORR.	VIOL. REMAIN.
3	3	0	0	0	List of Chemicals and Quantities for Fire Departme	0	3
3	0	3	0	0	Drop Ceilings (Replaced or Repaired)	0	3
3	0	3	0	0	Electrical Hazard	0	3
3	3	0	0	0	Exit Signs	0	3
2	2	0	0	0	Extinguisher	2	0
1	0	1	0	0	Fire Alarm System	1	0
11	4	0	7	0	Fire Door (Glazing, Hardware and/or Locks)	2	9
1	1	0	0	0	Insuficient lighting	0	1
6	6	0	0	0	Improper Storage	6	0
4	4	0	0	0	Poor House Keeping	4	0
3	3	0	0	0	Heat & Smoke Detectors	0	3
40	26	7	7	0	Totals	15	25
100%	65%	18%	18%		Percentages	38%	63%

2079

Environmental Systems Compliance Unit Date: 5/3/93 Time: 12:36:50

THE INDIVIDUAL SCHOOL FIRE CODE BREAKDOWN 2

SCHOOL NAME: Wilson,J.O.ELEM. BLDG NO. 339 BUILT: 1961 BLDG SIZE: 98900 Sq. Ft.
ADDRESS: 7th..&K.St.. N.E. Washington, D.C. 20002 WARD: 2 PHONE 724-4706

VIOL. TOTALS	BLDG. STAFF	MAINT. CENTER	ALT. REPAIRS	CAP. IMPROV.	THE TYPE OF VIOLATIONS	VIOL. CORR.	VIOL. REMAIN.
1	1	0	0	0	Extinguisher	0	1
8	3	5	0	0	Fire Door (Glazing, Hardware and/or Locks)	0	8
9	**4**	**5**	**0**	**0**	**Totals**	**0**	**9**
100%	**44%**	**56%**			**Percentages**	**0%**	**100%**

2080

Environmental Systems Compliance Unit Date: 5/3/93 Time: 12 17 25

THE INDIVIDUAL SCHOOL FIRE CODE BREAKDOWN 2

SCHOOL NAME: Woodridge ELEM. BLDG NO. 340 BUILT: 1970 BLDG SIZE: 37600 Sq. Ft.
ADDRESS: Carlton & Central Ave N.E. Washington, D.C. WARD: 5 PHONE 576-6042

VIOL. TOTALS	BLDG. STAFF	MAINT. CENTER	ALT. REPAIRS	CAP. IMPROV.	THE TYPE OF VIOLATIONS	VIOL. CORR.	VIOL. REMAIN.
1	1	0	0	0	Breached Wall	0	1
3	3	0	0	0	List of Chemicals and Quantities for Fire Departme	0	3
6	0	6	0	0	Drop Ceilings (Replaced or Repaired)	1	5
1	1	0	0	0	Electrical Hazard	0	1
2	2	0	0	0	Exit Signs	0	2
18	18	0	0	0	Extinguisher	18	0
21	3	0	0	18	Fire Door (Glazing, Hardware and/or Locks)	8	13
30	30	0	0	0	Improper Storage	30	0
1	1	0	0	0	Poor House Keeping	1	0
1	1	0	0	0	Heat & Smoke Detectors	0	1
84	60	6	0	18	Totals	58	26
100%	71%	7%		21%	Percentages	69%	31%

Environmental Systems Compliance Unit Date: 5/3/93 Time: 12 38 42

2081

THE INDIVIDUAL SCHOOL FIRE CODE BREAKDOWN 2

SCHOOL NAME: Woodrow Wilson,S.H.S. BLDG NO. 463 BUILT: 1891 BLDG SIZE: 247332 Sq. Ft.
ADDRESS: Nebraska & 41st.St. N.W.Washington, D.C. WARD: 7 PHONE 282-0120

VIOL. TOTALS	BLDG. STAFF	MAINT. CENTER	ALT. REPAIRS	CAP. IMPROV.	THE TYPE OF VIOLATIONS	VIOL. CORR.	VIOL. REMAIN.
2	2	0	0	0	Fire Door (Glazing, Hardware and/or Locks)	0	2
2	2	0	0	0	Totals	0	2
100%	100%				Percentages	0%	100%

2082

Environmental Systems Compliance Unit Date: 5/3/93 Time: 12:39:14

THE INDIVIDUAL SCHOOL FIRE CODE BREAKDOWN 2

SCHOOL NAME: Young Elem. School BLDG NO. 341 BUILT: 1934 BLDG SIZE: 99191 Sq. Ft.
ADDRESS: 26th. & Benning Rd. N.E.Washington, D.C. 20019 WARD: 5 PHONE

VIOL. TOTALS	BLDG. STAFF	MAINT. CENTER	ALT. REPAIRS	CAP. IMPROV.	THE TYPE OF VIOLATIONS	VIOL. CORR.	VIOL. REMAIN.
2	2	0	0	0	List of Chemicals and Quantities for Fire Departme	0	2
6	0	6	0	0	Drop Ceilings (Replaced or Repaired)	0	6
3	0	3	0	0	Electrical Hazard	0	3
1	1	0	0	0	Exit Signs	0	1
9	9	0	0	0	Extinguisher	9	0
32	4	0	0	28	Fire Door (Glazing, Hardware and/or Locks)	5	27
13	13	0	0	0	Improper Storage	13	0
4	4	0	0	0	Poor House Keeping	4	0
1	1	0	0	0	Peeling Paint & Plaster	1	0
2	0	2	0	0	Heat & Smoke Detectors	0	2
73	34	11	0	28	Totals	32	41
100%	47%	15%		38%	Percentages	44%	56%

2083

Environmental Systems Compliance Unit Date: 5/3/93 Time: 12 40 26

TESTIMONY OF WARD SIX SCHOOL BOARD MEMBER

BERNARD GRAY, SR.

BEFORE

THE EDUCATION AND LIBRARIES COMMITTEE

OF

THE DISTRICT OF COLUMBIA CITY COUNCIL

FOR

D.C. PUBLIC SCHOOLS BUDGET HEARINGS

FEBRUARY 8, 1993

MADAME CHAIRPERSON, MEMBERS OF THE D.C. CITY COUNCIL EDUCATION COMMITTEE, MEMBERS OF THE EDUCATION COMMUNITY AND CITIZENS OF THE DISTRICT OF COLUMBIA; I AM HERE TODAY TO SUPPORT PUBLIC EDUCATION, THE NUMBER ONE PRIORITY ISSUE FACING THE DISTRICT OF COLUMBIA!

OUR CITY SCHOOLS ARE IN CRISIS! OUR COMMUNITY IS IN CRISIS! PERHAPS WE LIVE WITH IT FROM DAY TO DAY AND BECOME IMMUNE TO IT. THE MEDIA REPORTS THE SYMPTOMS BUT CANNOT ANALYZE THE CAUSES. THE SYSTEM PROMISES SOLUTIONS BUT OPERATES AS USUAL AND CITIZENS CONTINUE TO BELIEVE, "IT DOESN'T TAKE A ROCKET SCIENTIST TO FIGURE OUT WHAT WE NEED TO DO TO FIX OUR PROBLEMS!".

LET ME SAY FIRST OF ALL, I HAVE JUST CONCLUDED FOUR WARD SIX WIDE COMMUNITY FORUMS TO DISCUSS THE PROPOSED 1994 BUDGET OF THE CITY SCHOOLS AND THE POTENTIAL IMPACT OF RECOMMENDATIONS FROM A SO CALLED EDUCATION BUDGET SUMMIT WHICH IS ATTEMPTING TO IMPOSE A POLITICAL SOLUTION ON OUR SCHOOL FISCAL CRISIS!

IT IS A MOCKERY TO TALK ABOUT "PARENT TEACHER RESTRUCTURING TEAMS" AND COMMITTEES ON "PARENT INVOLVEMENT AND STUDENT ENHANCEMENT" OR TO SAY, " THE HEARINGS HAVE BEEN HELD AND THE MESSAGE HAS BEEN RECEIVED, WE MUST PUT THE KIDS FIRST," WHEN WE THEN MEET BEHIND CLOSED DOORS TO PUT ONLY ONE POLITICAL PROPOSAL ON THE TABLE AND THAT PROPOSAL IS ONE THAT WILL CUT CLASSROOM RESOURCES AND CLOSE SCHOOLS BY JUNE!

NEITHER I NOR MY WARD SIX CONSTITUENTS ARE DEFENDERS OF BLOATED BUREAUCRACY OR MISDIRECTED SCHOOL SPENDING. YET,IF THE VOTE ON THE 1994 SCHOOL BUDGET HAD NOT BEEN HELD TWO DAYS BEFORE I WAS SWORN ONTO THE SCHOOL BOARD, I WOULD HAVE VOTED," NO!",

MADAME CHAIRMAN. JUST AS I SAY "NO", TO THE NEW SUMMIT PROPOSAL WHICH WILL CUT RESOURCES TO THE CLASSROOM, CLOSE TEN SCHOOLS AND ELIMINATE HUNDREDS OF EMPLOYEES INDISCRIMINATELY RATHER THAN THROUGH EVALUATION AND PLANNING. NEITHER BUDGET IS REALISTIC IN ASKING FOR ADEQUATE FUNDING FOR OUR SCHOOLS TO COVER REAL COSTS!

AS A SCHOOL BOARD MEMBER I FEEL THE ESSENCE OF MY JOB IS TO ASK FOR WHAT IS NECESSARY FOR SCHOOLS TO FUNCTION PROPERLY! I DO NOT HAVE FUNDING AUTHORITY. THAT ROLE BELONGS TO THE MAYOR AND THE CITY COUNCIL. TOGETHER WE MUST BE EQUAL TO THE TASK!

IT IS CLEAR FROM TALKING TO PARENTS BY THE HUNDREDS, PRINCIPALS, TEACHERS AND CHILDREN, THAT THERE IS A CRISIS IN CONFIDENCE IN THE MANAGEMENT OF OUR CITY SCHOOLS AND THE DIRECTION INDICATED BY RECENT BUDGET DISCUSSIONS. VIRTUALLY TO A PERSON, AND THIS WAS TRUE IN THE MAYOR'S WARD SIX BUDGET HEARINGS AS WELL, <u>NO ONE IS CALLING FOR CUTS IN THE OVERALL SCHOOL BUDGET</u>. THEY ARE CALLING FOR A "NO CUT" POLICY OR ACTUAL INCREASES TO OFFSET RISING COSTS OF CRIME AND UNEMPLOYMENT! THEY <u>ARE</u> ASKING FOR EFFICIENT MANAGEMENT AND A SHAKE UP IN SCHOOL ADMINISTRATION ATTITUDES OF "BUSINESS AS USUAL". THEY ARE SAYING, "MONEY SAVED SHOULD BE ALLOCATED TO THE CLASSROOM TO IMPROVE QUALITY OF EDUCATION!

LET ME, AS THEY SAY, CUT TO THE CHASE! THE MOST OFTEN EXPRESSED VIEWS DURING MY RECENT CAMPAIGN AND DURING WARD SIX MEETINGS THE LAST TWO WEEKS ARE:

1. EQUAL DISTRIBUTION OF SCARCE CLASSROOM RESOURCES! WE MUST PUT OUR MONEY IN THE CLASSROOM! TEACHERS ARE ESSENTIAL! SUPPLIES ARE INADEQUATE.

2. MAINTAIN NEIGHBORHOOD SCHOOLS WITH REDRAWN BOUNDARIES IF NECESSARY TO MINIMIZE CLOSURES!

3. BUILDING A NEW SCHOOL BOARD FACILITY AND WASTING MONEY ON THE PRESIDENTIAL BUILDING LEASE ARE BOTH UNACCEPTABLE AND POLITICALLY INSENSITIVE.

4. ATTENDANCE MUST BE ENFORCED! THE DROP OUT RATE MUST BE LOWERED! HOW CAN WE CLOSE SCHOOLS WHEN KIDS SHOULD BE IN THEM?

5. CHILDREN NEED JOB SKILLS! COLLEGE IS OUT OF THE QUESTION FOR MOST NOW. ~~TUITION~~ FOR VOCATIONAL SCHOOL WILL FORCE MANY TO LEAVE SCHOOL WHEN THEY NEED IT MOST!

6. IF CUTS ARE MADE IN TEACHER FORCE IT SHOULD COME TO ELIMINATE INCOMPETENCE! PROGRAM AND TEACHER EVALUATION ARE ESSENTIAL TO GOOD PLANNING!

7. HIGHER STUDENT TO TEACHER RATIOS AS AN ECONOMY MOVE IS UNACCEPTABLE!

8. CRONYISM AND EXCESS ADMINISTRATION MUST GO! THEY GET THE MONEY AND THE KIDS SUFFER! IT'S TRUE, NOT JUST IN THE SCHOOL BUDGET BUT CITYWIDE!

9. WE MUST HAVE A LONG TERM PROPERTY MANAGEMENT EFFORT FOR THE SCHOOLS WITH PROCEEDS FROM LEASES AND CONSTRUCTION ACCRUING TO THE SCHOOLS. NO SCHOOL PROPERTY PAST OR PRESENT SHOULD BE SOLD AT ALL!

10. PEOPLE WANT TO KNOW WHERE THEIR MONEY IS SPENT, WHO WORKS WHERE. HOW PROGRAMS AND TEACHERS ARE PERFORMING AND HOW MUCH GETS TO THE CHILDREN. THEY DO NOT FEEL THAT INFORMATION IS AVAILABLE TO THEM NOW!

LET ME CONCLUDE WITH MY RECOMMENDATION TO YOU AS YOU CONSIDER THE 1994 BUDGET ISSUE! lISTEN TO MY WARD SIX CONSTITUENTS THEY ARE ON THE RIGHT TRACK AND WE ALL IN OUR HEARTS KNOW THEY ARE RIGHT!

THE SCHOOL BOARD BUDGET IS NOT PRESENTING A REALISTIC REQUEST FOR THE COMING YEAR NOR DOES THE BUDGET SUMMIT PROPOSAL ACCOMODATE <u>OUR SCHOOL SYSTEMS REAL NEEDS</u>.

I WOULD SAY THE TRUE PICTURE IS:

FY 1993 BASE BUDGET	$513.552,000	
FY 1994 PROJECTED UNFUNDED NEED	33,000,000	
4.5% PAY INCREASE 1994 (ALL EMPLOYEES)	17,500,000	
UNFUNDED HEALTH BENEFITS	4,800,000	
UNDERFUNDED STEP INCREASES	3,700,000	
TOTAL	$572,552,000	MILLION

EVERY DOLLAR INVESTED PROPERLY IN DISTRICT OF COLUMBIA PUBLIC SCHOOLS PROTECTS THE HEALTH AND SAFETY OF ITS CITIZENS. EMPLOYMENT, AND DECREASE OF CRIME LIGHTEN THE BURDEN ON OUR CITY SERVICES AND TAX PAYERS. AS A COMMUNITY WE DRAW STRENGTH THROUGH EDUCATION!

EDUCATION SPENDING IS THE DOLLAR SPENT WHICH MOST SURELY REAPS WHAT WE SEW, INVESTMENTS PAY DIVIDENDS. LIKEWISE A MEAT AXE APPROACH TO OUR SCHOOL BUDGET, LAYOFFS, PROGRAM REDUCTIONS AND CLOSURES IN OUR EDUCATION SYSTEM BY JUNE, WITHOUT ADEQUATE PLANNING, WILL REAP A WHIRLWIND OF UNWANTED EFFECTS!

FINALLY, I WOULD ASK THAT ADDITIONAL TESTIMONY IN WRITING FROM WARD SIX COMMUNITY MEETINGS BE INCLUDED AS A PART OF THE RECORD. IT DEALS WITH PROPOSED VOCATIONAL TRAINING TUITION AND FEES AND THE IMPACT ON OUR COMMUNITY!

THANK YOU, I WOULD BE WILLING TO ANSWER ANY QUESTIONS YOU MIGHT HAVE.

D.C. PUBLIC SCHOOLS BUDGET:

Facts for Parents

1. The D.C. Public Schools budget is only 15 percent of the city's budget and 27 percent of the city's payroll.

2. Yet, through the furloughs, D.C. Public Schools is making up 50 percent of the $36 million the city needs to cover its budget shortfall.

3. None of those savings will be returned to the school system.

4. Not only do children miss school days because of the furloughs, but also recreational facilities and libraries are closed and unavailable to parents as alternative, supervised activities for their children.

5. The Congressional budget allocation to the school system has decreased each year since 1991. At the same time, mandated personnel-related costs such as health and retirement benefits have been increasing.

6. To pay for these increasing costs, the school system is abolishing 683 positions by 1994.

7. The school system has been the only city agency to win a first place award for three years for balancing its budget.

8. In addition, D.C. Public Schools has realized a net $6 million savings in its payroll in 1992 as a result of downsizing. Yet, the savings cannot go to much needed programs for children because of the decrease in the school system's budget.

9. The school system is continually consolidating programs and streamlining operations to save money and thereby provide more services to children.

10. If the cuts continue, the per pupil-expenditure rate will decrease, the teacher-student ratios will increase, and the city's children will suffer.

ATTACHMENT 2

D.C. Public Schools
FY 1994

	NPS	PS	TOTAL
DCPS Proposed Budget	$ 90.5M	423.0	$ 513.5M
Estimated Expenditures			
Base FY 93 Payroll Cost	-	443.0	443.0
FY 1993 6.5% COLA (Teachers)	-	16.2	16.2
FY 1994 4.5% COLA (All Employees)	-	17.5	17.5
Underfunded Health Benefits	-	4.8	4.8
Underfunded Step Increases	-	3.7	3.7
TOTAL PAYROLL EXPENDITURES AND NPS	$ 90.5	$ 485.2	$ 575.7
LESS: Reduction of 683 Positions	-	(26.1)	(26.1)
Reduction of 200 Positions	-	(4.4)	(4.4)
TOTAL Reductions	-	(30.5)	(30.5)
Adjusted Payroll Expenditures and NPS	$ 90.5	$ 454.7	$ 545.2
Unfunded Gap	$ -0-	$ 31.7	$ 31.7M

REMARKS OF BOARD MEMBER BERNARD GRAY

Mr. GRAY. And if I may summarize. I am actually here to ask for some discretionary funds to be added to the budget for the purpose of a video system for the school system to help with security and to eliminate the need to hire extra police officers. And my second request is to add specific amounts for the correction of fire code violations, which need to be done in order to prevent schools from——

Mr. DIXON. I didn't understand the second one.

Mr. GRAY. We have fire code violations in our school system, and this money may be actually designated for the purpose of correcting them.

With the Mayor and Council having the opportunity to dilute our budgets now, that will only detract from our fulfillment of educational requirements and our plans spend funds as budgeted.

The furloughs came up to satisfy the city's deficits. The School Board suffered for it. The capital budget being reduced from what we had asked originally has an impact on whether or not we can get those capital improvements made. Science labs are important but they will go if, in fact, we do not have designated funds to do the fire code violations.

Thank you.

Mr. DIXON. All right. Would any other board member like to testify?

PREPARED STATEMENT OF SUPERINTENDENT SMITH

If not, Superintenent Smith, we will place your prepared statement in the record at this point.

Dr. SMITH. Thank you, Mr. Chairman.

[Dr. Smith's prepared statement follows:]

STATEMENT OF FRANKLIN L. SMITH
SUPERINTENDENT AND CHIEF STATE SCHOOL OFFICER OF THE
DISTRICT OF COLUMBIA PUBLIC SCHOOLS

BEFORE THE HOUSE APPROPRIATIONS SUBCOMMITTEE
ON THE DISTRICT OF COLUMBIA

REGARDING THE D.C. BOARD OF EDUCATION'S FY 1994 APPROPRIATED AND CAPITAL BUDGET REQUESTS

JUNE 9, 1993

GOOD MORNING, CHAIRMAN DIXON AND MEMBERS OF THE SENATE SUBCOMMITTEE. FOR THE RECORD, I AM FRANKLIN L. SMITH, SUPERINTENDENT AND CHIEF STATE SCHOOL OFFICER OF THE D.C. PUBLIC SCHOOLS. IT IS MY PLEASURE TO APPEAR BEFORE YOU TODAY TO DISCUSS THE D.C. BOARD OF EDUCATION'S ("BOARD'S") FY 1994 APPROPRIATED AND CAPITAL BUDGET REQUESTS.

THE BOARD'S FY 1994 APPROPRIATED BUDGET REQUEST

THE AGREEMENT BETWEEN THE BOARD PRESIDENT, THE LATE COUNCIL CHAIRMAN AND THE MAYOR

AS YOU MAY KNOW, IN JANUARY OF THIS YEAR, THE BOARD PRESIDENT, THE LATE COUNCIL CHAIRMAN, AND THE MAYOR REACHED AN ACCORD CONCERNING THE LEVEL OF BOARD APPROPRIATED FUNDING IN FY 1993 AND FY 1994. SPECIFICALLY, MAYOR KELLY AND THE LATE CHAIRMAN WILSON AGREED TO IMPOSE NO CUTS IN THE BOARD'S CURRENT BASE BUDGET IN FY 1993 AND FY 1994, TO FUND A 6.5% PAY RAISE FOR D.C. PUBLIC

SCHOOLS TEACHERS AND PRINCIPALS IN FY 1993, AND TO FINANCE A 4.5 % PAY INCREASE FOR ALL D.C. PUBLIC SCHOOL EMPLOYEES IN FY 1994. IN RETURN, THE BOARD PRESIDENT PLEDGED THAT THE SCHOOL SYSTEM WOULD IDENTIFY 883 NET POSITIONS FOR ELIMINATION BY JUNE 30, 1993; WOULD IDENTIFY TEN SCHOOLS FOR CLOSURE BY JUNE 30, 1993; WOULD SEEK AVAILABLE FEDERAL REIMBURSEMENTS, SUCH AS MEDICAID; AND WOULD CONTINUE TO IMPLEMENT FURLOUGHS IN FY 1993.

WE IN THE SCHOOL SYSTEM CONTINUE TO BE VERY EXCITED ABOUT THIS AGREEMENT WHICH, WE BELIEVE, REPRESENTS AN EFFORT ON THE PART OF THE BOARD, THE COUNCIL AND THE MAYOR TO COME TOGETHER TO TRULY MAKE EDUCATION AND THIS CITY'S YOUNG PEOPLE THE DISTRICT'S NUMBER ONE PRIORITY. MOREOVER, THE D.C. PUBLIC SCHOOLS INTENDS TO HONOR ITS COMMITMENTS UNDER THIS CONTRACT.

AT THE SAME TIME, AS WE WORK TO COMPLY WITH THIS AGREEMENT, WE ARE CONSTANTLY REMINDED THAT KEEPING OUR PART OF THIS BARGAIN WILL NOT BE EASY. TO REACH THIS GOAL, WE HAVE ALREADY BEGUN TO MAKE OUR OPERATIONS AS EFFICIENT AS WE CAN AND TO ELIMINATE ALL POSSIBLE WASTE FROM WITHIN OUR SCHOOL SYSTEM.

72-882 O—93——28

IMPROVING THE QUALITY OF EDUCATION

HOWEVER, WHILE ENGAGED IN THIS "BELT-TIGHTENING," WE HAVE BEEN CAREFUL TO SEE THAT IT DOES NOT ADVERSELY AFFECT OUR STUDENTS, AND THAT, INSTEAD, WE CONTINUE TO IMPROVE THE QUALITY OF OUR EDUCATIONAL PROGRAM. TOWARD THIS END, DESPITE OUR FISCAL CONSTRAINTS, WE ARE CONTINUING TO PROVIDE SUPPORT FOR THE FOLLOWING FIVE BROAD AREAS WHICH, WE BELIEVE, ARE CRITICAL TO THE IMPROVEMENT OF OUR SCHOOL SYSTEM:

- CURRICULUM REVISION AND THE INTEGRATION OF TECHNOLOGY - FOR WE ARE CONVINCED THAT ONLY THROUGH SUCH REVISION AND INTEGRATION CAN WE PREPARE OUR STUDENTS FOR LIVING AND WORKING IN THE TWENTY-FIRST CENTURY;

- STUDENT EFFICACY- BECAUSE WE BELIEVE STRONGLY THAT OUR STUDENTS' DEVELOPMENT IN THE AREAS OF LEADERSHIP, VALUES, MULTICULTURAL APPRECIATION, COMMUNITY SERVICE, ADVANCED EDUCATION AND JOBS, AND MEDIATION AND CONFLICT RESOLUTION IS CRITICAL TO THEIR SUCCESS IN LATER LIFE;

- PROFESSIONAL DEVELOPMENT- BECAUSE, IN OUR OPINION, ALL D.C. PUBLIC SCHOOL EMPLOYEES MUST BE LEARNERS SO THAT WE SERVE AS ROLE MODELS FOR OUR STUDENTS;

- SHARED DECISION-MAKING- FOR WE FEEL STRONGLY THAT THE MOST EFFECTIVE LEADERSHIP IS INCLUSIVE OF THOSE WHO WILL BE AFFECTED BY THE DECISIONS MADE; AND

- COLLABORATION- BECAUSE THERE IS NO QUESTION THAT WE MUST REACH OUTSIDE OF THE D.C. PUBLIC SCHOOLS IF WE ARE TO CREATE A TOP-NOTCH SCHOOL SYSTEM.

ELIMINATING 883 POSITIONS

IT WILL BE EQUALLY DIFFICULT TO ELIMINATE 883 POSITIONS BY THE END OF THIS MONTH, BUT WE ARE COMMITTED TO TAKING THIS ACTION AS WELL. TOWARD THAT END, WE HAVE, FOR SOME TIME, BEEN IMPLEMENTING A HIRING FREEZE. IN ADDITION, TO ENSURE THAT WE NOT ONLY DOWNSIZE BUT ALSO "RIGHTSIZE", WE BROUGHT IN THE ACCOUNTING FIRM OF PEAT MARWICK TO HELP US ASCERTAIN THE CORRECT STAFFING FOR EACH D.C. PUBLIC SCHOOLS OFFICE.

WE ARE ALSO WORKING TO MAKE THIS REDUCTION IN PERSONNEL

AS HUMANE A PROCESS AS POSSIBLE. FOR THIS REASON, WE OFFERED AN "EASY OUT" RETIREMENT PLAN FOR THOSE OF OUR EMPLOYEES ELIGIBLE FOR RETIREMENT WHICH PROVIDED THEM WITH A FINANCIAL INCENTIVE FOR LEAVING THE SCHOOL SYSTEM AT THIS TIME. CURRENTLY, WE ARE PREDICTING THAT APPROXIMATELY 400 INDIVIDUALS WILL TAKE ADVANTAGE OF THIS RETIREMENT OPTION.

FINALLY, I WISH TO NOTE THAT THE SCHOOL SYSTEM'S PERSONNEL REDUCTIONS HAVE TARGETED NON-INSTRUCTIONAL STAFF, AS OPPOSED TO THOSE WHO WORK DIRECTLY WITH STUDENTS. 553 MEMBERS OF OUR WORKFORCE IN CENTRAL ADMINISTRATION AND NON-INSTRUCTIONAL POSITIONS WILL SOON LEAVE OUR PAYROLL. ONLY THE REMAINING 330 REDUCTIONS WILL HAVE BEEN MADE IN INSTRUCTIONAL POSITIONS, AND THESE CUTS HAVE RESULTED FROM TEACHERS TAKING EARLY RETIREMENT AND NORMAL ATTRITION, AS WELL AS FROM A REDUCTION-IN-FORCE (RIF). CLEARLY, MY INTENT IS TO KEEP THE NUMBER OF INSTRUCTIONAL EMPLOYEES INVOLVED IN THE RIF PROCESS AS LOW AS POSSIBLE.

CLOSING TEN SCHOOLS

CLOSING TEN SCHOOLS BY JUNE 30TH IS YET ANOTHER OF OUR

COMMITMENTS THAT WILL NOT BE AN EASY ONE TO ACCOMPLISH. WE IN THE SCHOOL SYSTEM ARE ALL TOO AWARE OF HOW PAINFUL IT CAN BE TO A COMMUNITY TO HAVE ITS NEIGHBORHOOD SCHOOL NO LONGER SERVE LOCAL STUDENTS.

CONSEQUENTLY, WE HAVE INCLUDED AFFECTED COMMUNITIES IN THIS SCHOOL CLOSING PROCESS TO AN UNPRECEDENTED DEGREE. MORE SPECIFICALLY, WE CONVENED TASK FORCES CONSISTING OF INVOLVED PARENTS, TEACHERS, AND ADMINISTRATORS WHICH SUBMITTED FINDINGS REGARDING NOT ONLY WHICH SCHOOL WITHIN AN AFFECTED AREA SHOULD BE CLOSED BUT ALSO WHICH EDUCATIONAL PROGRAMS SHOULD BE GIVEN PRIMACY AND CONTINUED OR ESTABLISHED POST-CONSOLIDATION.

SUBSEQUENTLY, I CONSIDERED THESE FINDINGS PRIOR TO MAKING A FINAL RECOMMENDATION TO THE BOARD CONCERNING WHICH FACILITIES SHOULD BE CLOSED. I ALSO FORWARDED THESE FINDINGS TO THE BOARD, AS WELL AS TO THE PARENTS AND STAFF OF POTENTIALLY CONSOLIDATED SCHOOLS, AT THE SAME TIME THAT I SUBMITTED MY SCHOOL CLOSING RECOMMENDATIONS.

I BASED THESE RECOMMENDATIONS ON THE TASK FORCES'

FINDINGS, AS WELL AS ON THE FOLLOWING FACTORS:

- THE MAINTENANCE, UTILITY, AND PHYSICAL OPERATION COSTS FOR EACH FACILITY CONSIDERED FOR CLOSURE;

- THE EFFECTIVENESS OR INEFFECTIVENESS OF SPACE UTILIZATION WITHIN EACH SUCH FACILITY; AND

- THE POTENTIAL FOR CHANGES IN DEMAND DUE TO RESIDENTIAL PATTERNS, ENROLLMENT AND ATTENDANCE PATTERNS, RECENT AND PREDICTED CHANGES IN HOUSING STOCK AND TRANSPORTATION, AND THE OPTIMUM ENROLLMENT SIZE FOR THE VARIOUS AFFECTED PROGRAMS.

AFTER I SUBMITTED THESE RECOMMENDATIONS, HEARINGS WERE HELD AT WHICH THE COMMUNITY HAD YET ANOTHER OPPORTUNITY TO PROVIDE INPUT INTO THE SCHOOL CONSOLIDATION PROCESS. NOW THAT ALL OF THIS COMMUNITY INVOLVEMENT HAS TAKEN PLACE, THE BOARD WILL MAKE A DECISION ON SCHOOL CONSOLIDATION LATER THIS MONTH.

PERFORMANCE STANDARDS AND MONITORING COMPLIANCE WITH THE FUNDING AGREEMENT

WE IN THE SCHOOL SYSTEM ARE WELL AWARE THAT ADEQUATE

FUNDING FOR EDUCATION DOES NOT COME WITHOUT ACCOUNTABILITY TO THE CITIZENRY FOR SEEING THAT EACH DOLLAR INVESTED IN THE SCHOOL SYSTEM IS USED AS EFFICIENTLY AND EFFECTIVELY AS POSSIBLE. IN FACT, THE SCHOOL SYSTEM IS EAGER TO ACCEPT THIS CHALLENGE.

THE SCHOOL SYSTEM HAS ALREADY INDICATED ITS WILLINGNESS TO BE HELD ACCOUNTABLE FOR ITS EXPENDITURE OF FUNDS BY INCLUDING AN FY 1993 PROGRAM BUDGET, SETTING OUT A PROGRAM-BY-PROGRAM DESCRIPTION OF D.C. PUBLIC SCHOOLS SPENDING AND POSITIONS, IN OUR FY 1994 BUDGET REQUEST. IN THE FUTURE, WE PLAN TO PRODUCE AN EVEN MORE DETAILED "CITIZENS' BUDGET" WHICH SETS OUT EXACTLY HOW THE SCHOOL SYSTEM SPENDS ITS MONEY IN AN EASY-TO-READ FORMAT.

SECURITY

BEFORE GOING ON TO SPEAK BRIEFLY OF THE BOARD'S FY 1994 CAPITAL BUDGET REQUEST, I WOULD LIKE TO TAKE JUST A MOMENT TO SPEAK OF FOUR TOPICS WHICH I KNOW ARE OF CONCERN TO BOTH THE SUBCOMMITTEE AND DISTRICT RESIDENTS: SCHOOL SECURITY; THE RELOCATION OF THE SCHOOL SYSTEM'S CENTRAL ADMINISTRATIVE STAFF; THE D.C. PUBLIC SCHOOLS DROPOUT RATE; AND THE SOUNDNESS OF THE SCHOOL

SYSTEM'S FINANCIAL OPERATIONS .

IN THE AREA OF SECURITY, WE ARE PLANNING TO INSTALL ADDITIONAL METAL DETECTORS AND ELECTRONIC DEVICES WHICH WILL MONITOR SCHOOL DOORS. MOREOVER, NOW THAT THE COUNCIL HAS APPROVED A BILL AUTHORIZING US TO HIRE RETIRED POLICE OFFICERS AS SCHOOL SECURITY PERSONNEL WITHOUT JEOPARDIZING THESE OFFICERS' RETIREMENT BENEFITS, WE PLAN TO SIGNIFICANTLY UPGRADE THE QUALITY OF OUR SECURITY FORCE BY EMPLOYING SUCH INDIVIDUALS.

RELOCATION OF CENTRAL ADMINISTRATIVE STAFF

THE COST OF KEEPING OUR CENTRAL ADMINISTRATION IN ITS PRESENT LOCATION WILL RISE DRAMATICALLY DURING THE LAST FEW YEARS, FROM $5.0 MILLION IN FY 1992 TO $ 7.1 MILLION IN FY 1994. FOR THIS REASON WE DECIDED SOME TIME AGO THAT A MOVE WAS IN ORDER. MOREOVER, BECAUSE WE BELIEVED THAT THE PUBLIC SHOULD BE INVOLVED IN SUCH AN IMPORTANT DECISION, WE CONVENED A PUBLIC HEARING ON THIS SUBJECT.

THE PREDOMINANT SENTIMENT EXPRESSED AT THIS HEARING WAS THAT, IN THESE TIMES OF FISCAL AUSTERITY, THE SCHOOL

SYSTEM SHOULD SPEND AS LITTLE OF ITS FUNDING AS POSSIBLE ON THE RELOCATION OF ITS CENTRAL ADMINISTRATION AND SHOULD MAKE USE OF ITS EXISTING RESOURCES WHENEVER POSSIBLE. CONCURRING WITH THIS OPINION, I RECENTLY RECOMMENDED, AND THE BOARD APPROVED, A PLAN TO MOVE OUR CENTRAL OFFICES INTO THREE SCHOOL BUILDINGS NO LONGER REQUIRED FOR EDUCATIONAL USE.

DROPOUT RATE

I NOW WISH TO TAKE JUST A MOMENT TO ADDRESS THE SUBJECT OF THE D.C. PUBLIC SCHOOLS DROPOUT RATE. USING THE NEW ANNUAL OR "EVENT" METHOD OF DROPOUT CALCULATION, DEVELOPED BY OUR SCHOOL SYSTEM WORKING IN CONJUNCTION WITH THE U.S. DEPARTMENT OF EDUCATION AND OTHER STATES AND TERRITORIES, THE D.C. PUBLIC SCHOOLS DROPOUT RATE FOR SCHOOL YEAR 1990-91 WAS 9.1%. EXTRAPOLATING THESE GRADE-BY-GRADE DROPOUT STATISTICS FOR THAT SCHOOL YEAR TO ARRIVE AT A PROJECTED FOUR-YEAR DROPOUT RATE FOR THAT NINTH GRADE CLASS RESULTS IN A FIGURE OF 36.1%.

FINANCIAL MANAGEMENT

FINALLY, I WOULD LIKE TO ADDRESS THE ISSUE OF THE

INTEGRITY OF THE SCHOOL SYSTEM'S FINANCIAL MANAGEMENT SYSTEM. IN THIS REGARD, I WISH TO STATE, FIRST OF ALL, THAT AS EVIDENCED BY OUR EFFORTS IN THE AREAS OF RESTRUCTURING, SCHOOL CONSOLIDATION, AND DOWNSIZING, THE BOARD AND I ARE COMMITTED TO THE HIGHEST QUALITY OPERATION OF ALL ASPECTS OF THE D.C. PUBLIC SCHOOLS.

IN ADDITION, I WOULD LIKE TO POINT OUT THAT, ALTHOUGH NOT REQUIRED TO DO SO, THE SCHOOL SYSTEM HAS, FOR MANY YEARS, ELECTED TO BE AUDITED BY ONE OF THE MAJOR INDEPENDENT PUBLIC ACCOUNTING FIRMS. THE CONCLUSION REACHED IN ALL OF THESE AUDITS HAS BEEN THAT THE D.C. PUBLIC SCHOOLS MAINTAINS A HIGH DEGREE OF INTEGRITY IN ITS FINANCIAL PRACTICES. I MIGHT ALSO NOTE THAT, FOR THE PAST SEVERAL YEARS, THE SCHOOL SYSTEM HAS RECEIVED BOTH THE CERTIFICATE OF EXCELLENCE FROM THE ASSOCIATION OF SCHOOL BUSINESS OFFICIALS AND A CERTIFICATE OF COMMENDATION FROM THE D.C. CONTROLLER FOR EXCELLENCE IN FINANCIAL REPORTING.

WE BELIEVE STRONGLY THAT THESE AUDIT RESULTS AND AWARDS ATTEST TO THE INTEGRITY AND SOUND FINANCIAL MANAGEMENT OF THE D.C. PUBLIC SCHOOLS. IT IS FURTHER OUR POSITION THAT NONE OF THE RECENTLY-ISSUED AUDIT REPORTS

CONCERNING THE SCHOOL SYSTEM PRESENT ANY INFORMATION WHICH UNDERMINES THE D.C. PUBLIC SCHOOLS' FISCAL INTEGRITY. MOREOVER, WE ARE CERTAIN THAT NO FUTURE INVESTIGATION WILL RESULT IN FINDINGS WHICH IN ANY WAY CALL INTO QUESTION THE SOUNDNESS OF OUR SCHOOL SYSTEM'S FINANCIAL PRACTICES.

THE BOARD'S FY 1994 CAPITAL BUDGET REQUEST

IN ITS FY 1994 CAPITAL BUDGET, THE BOARD IS REQUESTING AN ADDITIONAL $53,000,000 IN CAPITAL BUDGET AUTHORITY FOR THREE PROJECTS: $40,000,000 FOR GENERAL IMPROVEMENTS; $5,000,000 FOR GENERAL MAINTENANCE IMPROVEMENTS; AND $8,000,000 FOR SCHOOL MODERNIZATION. WE ARE ALSO ASKING TO REPROGRAM $8,997,282 IN AUTHORITY FROM VARIOUS PROJECTS INTO THESE THREE CATEGORIES OF PROJECTS. IN ADDITION, WE ARE PROPOSING THAT ALL EXISTING UNCOMMITTED AUTHORITY, PREVIOUSLY IMPLEMENTED BY THE DEPARTMENT OF PUBLIC WORKS ON BEHALF OF THE SCHOOL SYSTEM, A BALANCE OF $20,577,495, BE REPROGRAMMED INTO OUR GENERAL IMPROVEMENTS PROJECT AND BROUGHT UNDER THE MANAGEMENT OF THE D.C. PUBLIC SCHOOLS.

GENERAL IMPROVEMENTS

AS I JUST INDICATED, THE BOARD IS REQUESTING $40,000,000 IN ADDITIONAL CAPITAL AUTHORITY FOR GENERAL IMPROVEMENTS. WE ARE ALSO PROPOSING TO REPROGRAM $4,498,640 INTO THIS PROJECT.

THESE GENERAL IMPROVEMENTS ARE THE HEART OF OUR CAPITAL IMPROVEMENTS PROGRAM AND WILL ACCOMPLISH MAJOR BUILDING COMPONENT REPAIR OR REPLACEMENT, AS WELL AS ADDRESS THE UPGRADING OF BUILDING SYSTEMS AND SPACES TO MEET EDUCATIONAL REQUIREMENTS. SPECIFIC PROJECTS IN THIS CATEGORY WILL INCLUDE:

- MAJOR CORRECTION OF SOIL EROSION;
- COMPLETE ELECTRICAL MODERNIZATION;
- THE SIGNIFICANT UPGRADING OR REPLACEMENT OF PLUMBING SYSTEMS;
- ATHLETIC STADIUM AND GYMNASIUM REPAIRS AND IMPROVEMENTS;
- ROOF REPLACEMENTS;

- THE PROVISION OF NEW ENERGY-EFFICIENT VENTILATION AND AIR-CONDITIONING SYSTEMS AND CONSERVATION MEASURES;

- ROOM CONVERSIONS;

- DOOR AND WINDOW REPLACEMENTS; AND

- BOILER AND CHILLER REPLACEMENTS.

GENERAL MAINTENANCE IMPROVEMENTS

AS I ALSO STATED, THE BOARD IS REQUESTING $5,000,000 IN ADDITIONAL CAPITAL AUTHORITY FOR GENERAL MAINTENANCE IMPROVEMENTS AT VARIOUS SCHOOLS. ADDITIONALLY, WE ARE ASKING TO REPROGRAM $2,249,320 INTO THIS PROJECT.

IMPROVEMENTS TO BE ACCOMPLISHED UNDER THIS PROJECT ARE LARGELY MAINTENANCE NEEDS WHICH HAVE BEEN DEFERRED FOR SUCH AN EXTENDED PERIOD THAT THEY HAVE SERIOUSLY UNDERMINED THE USE OF FACILITIES AND HAVE DETRACTED FROM BUILDING APPEARANCES. MORE SPECIFICALLY, THESE EFFORTS WILL INCLUDE THE FOLLOWING:

- COMPLETE EXTERIOR AND INTERIOR PAINTING;
- THE UPGRADING OF PLUMBING AND LIGHTING SYSTEMS;
- THE COMPLETE REPLACEMENT OF WINDOW GLAZING OR FRAMES;
- MAJOR ROOF REPAIRS;
- MAJOR PAVING OR RESURFACING PROJECTS;
- MAJOR REPAIRS TO MECHANICAL HEATING AND COOLING SYSTEMS;
- THE UPGRADING OF MECHANICAL AND ELECTRICAL DISTRIBUTION SYSTEMS;
- THE REPLACEMENT OF BASIC PLUMBING COMPONENTS;
- REPAIRS TO CORRECT CODE VIOLATIONS;
- REPAIRS AND MAINTENANCE OF ELEVATORS AND ESCALATORS; AND

- MAJOR REPAIRS IN RESPONSE TO EMERGENCIES.

SCHOOL MODERNIZATION

FINALLY, WE ARE ALSO REQUESTING $8,000,000 IN NEW CAPITAL AUTHORITY TO BEGIN THE DESIGN AND CONSTRUCTION OF NECESSARY SCHOOL MODERNIZATIONS, ADDITIONS OR REPLACEMENTS. ADDITIONALLY, WE PROPOSE TO REPROGRAM $2,249,320 INTO THIS PROJECT.

WITH MANY OF OUR BUILDINGS OVER FIFTY YEARS OLD, A LARGE NUMBER OF SUCH MODERNIZATIONS, ADDITIONS, AND REPLACEMENTS ARE NEEDED TO MEET BASIC PROGRAM NEEDS AND PROVIDE CRITICAL INSTRUCTIONAL SUPPORT FACILITIES. THE SCOPE OF WORK OF THIS PROJECT WILL INCLUDE:

- THE PREPARATION OF DESIGN DOCUMENTS AND COST ESTIMATES;

- THE PREPARATION OF CONTRACT DOCUMENTS AND SPECIFICATIONS;

- THE MODIFICATION OF EXISTING STRUCTURES TO PROVIDE

BASIC AND INSTRUCTIONAL SUPPORT FACILITIES;

- THE TREATMENT OF WALLS, FLOORS, WINDOWS, DOORS, LIGHTING, AND CEILINGS AS NECESSARY TO UPGRADE ENVIRONMENTAL CONDITIONS;

- THE IMPLEMENTATION OF VARIOUS CODE REQUIREMENTS; AND

- THE PROVISION OF ADDITIONAL INSTRUCTIONAL CAPACITY IN ACCORDANCE WITH NEIGHBORHOOD DEMOGRAPHY.

CONCLUSION

I WISH TO THANK YOU, CHAIRMAN DIXON, FOR GIVING ME THE OPPORTUNITY TO TESTIFY TODAY. I WOULD BE HAPPY TO RESPOND TO ANY QUESTIONS THAT YOU MIGHT HAVE.

SUMMIT AGREEMENT WITH MAYOR AND COUNCIL CHAIRMAN

Mr. DIXON. Mr. Superintendent, I have not followed the events closely, but as I understand it, the Mayor and City Council Chairman, and I don't know who from the board, and you sat down and reached an agreement—what has been referred to as a "summit agreement"—as to funding levels that the mayor and council chairman would support on the condition that the School Board did certain things.

Dr. SMITH. Yes.

Mr. DIXON. And part of that was closing X number of schools.

Dr. SMITH. We agreed to close ten schools and eliminate 883 staff persons.

Mr. DIXON. Are the 883 positions in the agreement actual bodies or is it bodies plus unfilled positions?

Dr. SMITH. Well, basically it was to reduce the payroll, so we are looking at actual bodies. What we said was that the number of 883 could come from vacated positions from January. What they did was look at what our payroll was in January, the first pay period in January.

Mr. DIXON. Of 1993?

Dr. SMITH. Of 1993, and we must reduce from the number of full-time people from the payroll, 883 individuals. So by June 30 we are supposed to have 883 off the payroll.

We could have started that as early as the second payroll, in January.

TEXT OF "SUMMIT AGREEMENT"

Mr. DIXON. We will insert a copy of the "Summit Agreement" in the record at this point.

[The summit agreement referred to follows:]

Memorandum of Agreement

Pursuant to the meeting of the Mayor, Council of the District of Columbia ("Council") and Board of Education ("Board") held on January 23, 1993, the undersigned parties hereby agree:

(A) The Board will:

(1) Using payroll period #1 of this calendar year as a benchmark, identify 883 net positions by May, 1993 for elimination by June 30, 1993.
(2) Identify 10 schools by May, 1993 for closure by June 30, 1993.
(3) Seek available Federal reimbursements, e.g., Medicaid.
(4) Continue to implement furloughs in FY1993.

In concert with the Board's implementation of A above:

(B) The Mayor and Council will:

(1) Impose no cuts in the base budget of the Board for FY1993 and FY1994.
(2) Fund a 6.5% pay raise for teachers and principals in FY1993.
(3) Fund a 4.5% pay raise for all D.C. Public Schools personnel in FY1994.

(C) The Board agrees to live within its appropriated budgets for FY1993 and FY1994.

(1) It is further agreed that the Mayor and Council shall provide supplemental funding should the actions described in (A) be insufficient to fund the pay raises.

(2) If the savings and revenues described in (A) exceed the amount required to fund the pay raises, the disposition of such savings and revenues are open to review by the Mayor and Council.

(D) All parties will continue to meet to define the funding commitment, interagency collaboration, and related performance standards for the Board for FY1995 and thereafter.

(E) The parties agree to establish a committee with members representing the parties and the community whose sole purpose will be to ensure the parties' compliance with this agreement.

(F) The parties agree tha the Board will negotiate two collective bargaining agreements with both WTU & CSO. One will cover fiscal years 1991-1993 and will contain the following increases:

FY-91 - 0;
FY-92 - 0;
FY-93 - 6.5%.

Negotiations for the second agreement will commence in March 1993 and will include an FY94 increase of 4.5%. The remaining two years will be negotiated between the School Board and its Unions.

If any party fails to adhere to any of the terms of this Agreement the entire Agreement will be null and void.

Executed this 27th day of January, 1993.

Honorable Sharon Pratt Kelly
Mayor
District of Columbia

Honorable John Wilson
Chairman
Council of the District of Columbia

Honorable R. David Hall
President
D.C. Board of Education

COLLECTIVE BARGAINING AGREEMENT WITH TEACHERS AND EMPLOYEES

Mr. DIXON. For 1994, have you reached some agreement with both your certified and your classified workers?

Dr. SMITH. We have not reached an agreement with them, but I think we are well on our way to getting that agreement. The supplemental included about a 4.5 percent increase that would be available for them. Inasmuch as we do not have a contract for the 1993–1994 school year, that has to be negotiated.

What we are able to say to the union is that we know how much money is available which is guaranteed for that raise. Because of the collective bargaining law, we cannot usurp their right and say that this is all they can ask for.

Mr. DIXON. I am informed we have three minutes left on this vote on the House floor.

Mr. WALSH. I have voted.

Mr. DIXON. All right. Well, in the interest of keeping things moving, why don't I turn the hearing over to you. I will go vote and come right back.

SCHOOLS PERCENTAGE OF TOTAL CITY BUDGET

Mr. WALSH. Dr. Smith, when you came in to visit you said you were from Toledo?

Dr. SMITH. Dayton.

Mr. WALSH. I thought it was interesting that the school district's share of the District of Columbia budget is down to 15 percent.

Dr. SMITH. That is correct.

Mr. WALSH. Back in 1978 and 1979 when I was with the Syracuse city government, the city budget was 60 percent, and the school district budget was 40 percent. Last year or the year before the school district budget became more than 50 percent of the city budget, which concerns everyone up there a great deal.

PER CAPITA EXPENDITURE

But I don't know what the per capita expenditure per student was. What was it in Dayton compared to here?

Dr. SMITH. In Dayton we spent 5,000-some dollars per student. And here we spend $6,200.

Mr. WALSH. As opposed to $5,000.

Dr. SMITH. Yes. It was about $5,000 in Dayton.

FUNDING FOR TEACHER PAY RAISE

Mr. WALSH. The Chairman was asking about the agreement with the unions.

Has the city budgeted for those increases for 1994?

Dr. SMITH. As I understand it, this is included in the budget for us. If we get the $507 million, that includes the increase. Is that what the city is asking for?

Mr. WALSH. The city is asking for $517,682,000 for fiscal year 1994.

Dr. SMITH. Is that correct?

LABOR NEGOTIATIONS

Mr. WALSH. Who negotiates that agreement? The school board?

Mr. HALL. The board has the overall authority, but it is delegated through the superintendent's office to labor negotiators who report to the superintendent.

CITY BUDGET VERSUS SCHOOL BUDGET

Mr. WALSH. I see. Just sort of a general question: Has there been any debate on this combined city budget as opposed to a school district budget and a city operating budget?

BUDGET PROCESS

Mr. HALL. We have not had a discussion on a combined budget. Generally what has happened as practice in the jurisdiction is that the budget call from the mayor goes out to each agency to develop its mark and submit its mark to the mayor's budget office and, of course, to the council committee which has oversight jurisdiction. In our case, it would be the council committee on education.

After the agencies meet with the mayor and work out their budget marks, then the school system is the last agency to come in because it has an independently elected board. And there are a number of public hearings held. Then the mayor recommends a mark to the council, and the council recommends the mark for the approval of Congress.

INDEPENDENT TAXING AUTHORITY

Mr. WALSH. Right now it is a combined budget. And the question was: Has there been any serious discussion about the possibility of separating the two, the school district would levy and assess the property taxes separately?

Mr. HALL. The issue of independent taxation has been raised. The former chairman of the council, the late John Wilson, raised it.

What we discussed was the nature of taxation in the District, that taxes are already very, very high compared to other jurisdictions, and that to give the board independent taxing authority at that point in our development, would bring us in as the last players when no one wants to hear the words "more taxes." And it puts the educational system in a very, very unfair position of asking for additional taxes where all the other tax dollars are going for other purposes already.

FORMULA BASED PAYMENT FOR SCHOOLS

So what we countered with was another proposal. We will be meeting with the mayor's budget staff tonight at 6 o'clock, I believe, to talk about a formula-based approach for funding for schools. We would agree to a per pupil expenditure rate.

PROPOSAL TO COMBINE CITY COUNCIL AND BOARD OF EDUCATION

The other proposal is one which Council members and Board members are beginning to talk about, which is a unified method of having both accountability and responsibility for raising the reve-

nue and overseeing the spending of it in a combined body, rather than having the two bodies separated.

Mr. WALSH. As I remember the process—and your system here sounds very similar to what we did in Syracuse—we would have public hearings; the school board would come up with a budget; no one would ask that the budget be cut; everyone asked that the budget be expanded. And the only downward pressure on the budget other than what goes on in the city council is from the public hearings.

The council would hold the public hearings, not the school board. So we would be told, or asked, to increase the budget as opposed to cut it. And the council was always providing the downward pressure. There was a lot of debate about separating the combined budget. But the school district, I think, felt that they would get the best shake with it as a combined budget, even though they had to put up with the council's criticism from time to time.

INCREASE IN MAYOR'S CONTROL OVER SCHOOLS' BUDGET

Dr. SMITH. Up until recently, when the board received this budget from the Congress, we could be sure that that was our budget and we had complete control over that.

But last year, it was put in the appropriations act that the Mayor had the right to reduce the bottom line of that budget.

[CLERK'S NOTE.—The preceding statement is in error. The Committee on the District of Columbia, and not the Committee on Appropriations, reported H.R. 2969, the District of Columbia Emergency Defict Reduction Act of 1991, which gave the Mayor and the Council of the District of Columbia the authority to reduce budgets of all agencies, including the Board of Education, under certain circumstances. The bill was signed by the President August 17, 1991, and became Public Law 102–106.]

Mr. WALSH. So there was a change?

Dr. SMITH. So what goes through here does not necessarily have to be what the Mayor sees fit to do. And that authority was not there until last year.

FEDERAL FUNDING FOR SCHOOLS

Mr. WALSH. I see. So the Mayor determines how much of the Federal formula goes towards education. Is that what you are saying?

Mr. HALL. The Federal payment is given to the Mayor, and the Mayor can allocate that Federal payment to the agencies as she wishes to.

Mr. WALSH. And how much was allocated last year?

Dr. SMITH. I have $513 million?

Mr. WALSH. For the school district?

Mr. HALL. Of the Federal payment? There was an increase of $200 million in the Federal payment to the city.

Mr. WALSH. I just mean the school district.

Mr. HALL. We didn't receive any of that.

Mr. WALSH. What was your allocation?

Ms. SHOOK. $513 million was our budget allocation. That was our total budget from the Mayor from the appropriated budget.

Mr. WALSH. So you don't know which of that was Federal money and which of that was local property tax revenue?

Ms. SHOOK. No. She just gave us the lump sum.

Mr. WALSH. Of the $513 million budget, what additional money comes to the school district from other Federal money. Do you know?

Dr. SMITH. We get $28 million from Chapter One funds. We get impact aid funds. We receive a total of about $70 million in Federal funding.

Ms. SHOOK. We get $70 million in Federal funding. But we are going to be losing in the Chapter One. We will be losing about $5 million.

Mr. WALSH. In New York, we lost about half.

Do you anticipate any increases in Federal aid outside of Chapter One?

Ms. SHOOK. We are expecting to generate some medicaid dollars for our special education students, to go toward psychologists and the related service team. We are in the process of negotiating with the city to get a medicaid identification number so that we can go through this process.

At this point, that is what we are actively and aggressively working on in terms of generating more Federal dollars.

Mr. WALSH. You have to use that medicaid money for specific areas. You can't use it to free up money in other areas.

Ms. SHOOK. We have to use it for special education with the hope that we can expand it for health services for regular students.

I am sure you understand the difficulties that urban school districts face in terms of the families and the drugs in the neighborhoods. And we could use the psychologists that we could fund with our Federal dollars.

Mr. WALSH. Thank you very much.

I have no further questions, Mr. Chairman.

ENROLLMENT AND PUPIL TEACHER RATIOS

Mr. DIXON. Dr. Smith, can you give your projected enrollment for school year 1994 and compare it to 1993, and could you do the same for the pupil-teacher ratio and those kinds of statistics?

Dr. SMITH. We are experiencing a slight increase in our student enrollment for next year over this year.

This year we had 80,097 students. Next year we are anticipating 81,408 in our membership.

I know there has been concern about the teacher-pupil ratio as a result of the downsizing. But as we have calculated, based on the number of staff members that we have and the number of students we have and anticipate having, we will adhere to the board's staffing ratio which they have outlined kindergarten through grades 3, 20 students, and 3 through 6, 25 students.

And we still believe that we can adhere to those staffing standards, in spite of the reductions that we are making in our staff.

POSITIONS CUT

Mr. DIXON. And where are you in the staff reduction process?

Dr. SMITH. At this point, we have already submitted the letters to 883 individuals to be eliminated from our staff, of which 330 fall into the teaching category.

However, you probably read about the fact that we had an easy-out retirement program. We had in excess of 400 teachers take advantage of this easy-out. But we can't count all of those as reductions because we have to replace some of those people depending on their areas. We sent out RIF letters to 60 teachers.

But as we are sitting here, the number of easy-outs are still increasing. We are still processing people. And that will reduce the number of people that will need to be RIF'd. I hope that we can be down to less than 50 teachers who will have to be RIF'd.

However, we did send out 400 letters to teachers who are temporary in the school system. Some of those employees will not be rehired, as obviously, there is no obligation on the system to those individuals.

However, as we need to fill positions, we will go back to those persons that we reduced from the temporary list and call them back into the system. There are 553 other persons who fall into nonteaching and central office categories. We targeted central office because of all of the hype about reducing the number of central office administrators that we have. And we believe that coming up this coming school year we will really have a mean and lean operation at the central office and, hopefully, more services in the schools because of the reductions that we are making at the central office. We are on target with that reduction.

I would say that we are going to get some appeals that will be filed, and we will have to deal with those. But we believe that we still have some leeway in terms of temporary people that we are dealing with, and that we will meet the required number of reductions.

CENTRAL OFFICE STAFF REDUCTION

Mr. DIXON. When you talk about the central office, are these clerical or administrative people?

Dr. SMITH. They are all types. Administrators are people who fall in the EG–12 and above grade levels who are the upper level administrators, and EG–10 and below grade levels. About 158 of those to be terminated fall in that category.

And then you get to the secretaries and clerical employees, custodians, transportation workers, and others who still are classified as administrative people. But they fall below the grade levels that I just talked about. There will be 132 terminated from that category.

We have been working with some consulting firms, and some have been saying that we may be making the reductions that are too deep. However, another part of this effort is to look at right sizing the operation once we have reduced it. I have six of the major accounting firms doing pro bono work with us. We will look at how to staff the organization so that it is the right size to deliver services to the schools in a reduced-size organizational structure.

TEENAGE PREGNANCY AND VOCATIONAL EDUCATION PROGRAMS

Mr. DIXON. Last year, we talked a little about the incidence of teenage pregnancy; and we also touched on a program for vocational education that you were conducting in conjunction with the Department of Corrections.

Can you give us a status report—what is the situation this year.

Dr. SMITH. All of those programs are still being worked on. We have the transitional adjustment programs that help youngsters who are coming from institutions, following incarceration, back into our schools. And we are trying to help make that transition. That is going rather well. It is at the Phelps Career Center and also at the Armstrong Center.

In addition to that, we have Project Daisy that you are very much aware of. It is in several of the schools. It is dealing with the children of mothers who have been on drugs.

Those are the programs that we have—plus the "Linking Learning to Earning" part of the vocational education program which is looking at all vocational education across the board and making sure that youngsters, when they graduate, graduate with skills which enable them to move from entry-level jobs into the next-level jobs and not be out of work once that five-year period, which most people say is the life span of an entry-level job, elapses.

TRAUNCY PROGRAM

Mr. DIXON. Several years ago, one of the issues that was identified by the superintendent at that time was truancy. I think it was Floretta McKenzie who had set up—I won't say an elaborate system—but a system of calling the parents of students who were absent.

Is that system still functioning or has it been abandoned? Is there any need? What is the status?

Dr. SMITH. It is still functioning. But because technology gets old and breaks, and we did not have the dollars to replace it to the degree that it should have been replaced, it is not probably functioning as much as I would like it to function. As we look at reinstituting technology into our schools, we will want to look at that.

But one factor leading to this truancy rate was this closed campus system pursuant to which young people had the option of leaving school at lunchtime. And in our system, the lunch hour would vary from 10:30 all the way up to 2 o'clock in the afternoon. So it was difficult for the police department to work with us in picking up truant individuals from our schools. There was a statement made the other night in one of our meetings that the closed campus policy has reduced the number of young people that we find on the streets now because there is not the opportunity for them to leave. In addition, we are still dealing with truancy through our attendance centers that we have around the city.

TRUANCY RATE

Mr. DIXON. What is the truancy rate?

Dr. SMITH. On the average, 12 percent of our students are absent per day. It is rather difficult for us to calculate how many are truant or how many are ill.

But I would probably say of that 12 percent, you are probably dealing with 3 percent that might be truant. Truancy is basically at your high school level. That is where that is.

ETHNIC COMPOSITION OF DISTRICT SCHOOLS

Mr. DIXON. What is the ethnic composition of the school population? Do you know or does any board member know?

Dr. SMITH. 89 percent are African American, and 5.6 percent Hispanic. Anglo is 4 percent, and others, Asian, Vietnamese, etc. make up the rest.

QUESTIONS FOR THE RECORD

Mr. DIXON. I have a series of questions that I would like to ask you for the record. If you would respond to those questions in writing, we would appreciate it.

Dr. SMITH. Certainly.

[The Committee's questions and the Board's response follow:]

QUESTIONS FOR THE RECORD
Board of Education (Public Schools)

1. As I understand it, the recent "Summit Agreement" between the Mayor, Council Chairman and Board of Education commits the schools to --

- - Close 10 buildings currently occupied by students by June 30, 1993.

- - Cut 883 full-time employees by June 30, 1993.

- - Negotiate collective bargaining contracts to increase teacher and principal salaries by 6.5% in FY 1993 and 5.5% in FY 1994.

The Mayor and Council are committed to --

- - Maintain the school's budget without base cuts in FY 1993 and FY 1994.

a. Is that a fair summary of the "Summit Agreement?"

b. How are the various elements progressing?

ANSWER:

a. The following corrections should be made to this summary of the "Summit Agreement":

- The D. C. Board of Education ("Board") agreed to close 10 schools, not "10 buildings currently occupied by students", by June 30, 1993;

- The Board agreed to negotiate collective bargaining contracts to increase teacher and principal salaries by 4.5%, not 5.5%, in FY 1994;

- The Board also agreed to continue to implement furloughs in FY 1993; and

- The Mayor and Council agreed to fund 4.5% payraises for all other Board employees in FY 1994.

b. School Closings and Reductions in the School System's Workforce, and Furloughs

The Board voted to close ten schools, and the Superintendent acted to cut 883 full-time D.C. Public Schools ("DCPS") employees, by the June 30, 1993 deadline. In addition, DCPS implemented all necessary Furloughs in FY 1993.

Teacher and Principal Payraises

The Board and the Council of School Officers ("CSO"), the union representing DCPS principals, have signed a memorandum of understanding pursuant to which CSO agreed to amend the contract that they had negotiated with the Board to reflect payraises consistent with the terms of the Summit Agreement. Subsequently, both the Mayor and the Council of the District of Columbia ("Council") approved giving such payraises to members of CSO. Consequently, CSO members will be receiving these FY 1993 salary increases in the near future.

To date, however, the Washington Teachers' Union ("WTU"), the union representing DCPS teachers, has refused to amend the contract which it negotiated with the Board to reflect payraises consistent with the Summit Agreement. Instead, WTU has insisted that it will only accept salary increases which it negotiated in its contract with the Board. As the Mayor, in turn, has indicated that she will only fund payraises consistent with the Summit Agreement, and any salary increases cannot go to the Council without the approval of the Mayor, the status of DCPS teacher payraises in FY 1993 and FY 1994 is unclear at this time. The Board has requested that WTU re-enter negotiations on this subject.

Maintenance of the Board's FY 1993 and FY 1994 Base Budgets

In addition to approving payraises for DCPS principals, and indicating a continuing willingness to fund payraises consistent with the Summit Agreement for DCPS teachers, the Mayor and Council have approved FY 1993 and FY 1994 budgets for the Board which effect no base cuts in the Board's budgets for these years. In fact, the second FY 1993 supplemental budget recently proposed by the Mayor and approved by the Council actually increases the Board's FY 1993 base budget.

QUESTION:

2. In response to a question asked by Mr. Gallo last year concerning when the school playgrounds would be in place, Dr. Smith said that "by September, we will have them up" (p. 2738, part 2, FY 1993 D. C. hearings).

a. Were all the playgrounds in place by September?

RESPONSE:

2. All playground equipment was installed in FY 1993.

Question 3:

What is the status of the school facilities improvements that were being made with the special $22 million appropriated in FY 1991? As I recall, the Congress provided an additional Federal payment of $12 million and the District was going to add $10 million for a total of $22 million.

Response:

The funding of $22 million provided by the Congress and the District of Columbia Government was for school facilities general maintenance and improvements. Some of such improvements were for fire alarm systems, public address systems, provision of playground equipment, air conditioning, boiler repairs and other numerous maintenance and repair expenditures. To date all the maintenance and improvement projects for which the funds were provided have been completed. All schools in the District of Columbia Public School System have been provided with playground equipment from this funding.

The chart below reports expenditures for FY 1991 (October 1, 1990 - September 30, 1991). As stated, all of the funds previously encumbered have been expended.

DISTRICT OF COLUMBIA PUBLIC SCHOOLS — APPENDIX B
CAPITAL PAY-AS-YOU-GO (PAYGO) EXPENDITURES
SUMMARY BY PROJECT
OCTOBER 1, 1990 - SEPTEMBER 30, 1991

PROJECT CODE	PROJECT NAME	FINANCING	TOTAL EXPENDITURES	ENCUMBRANCES	TOTAL EXPENDITURES & ENCUMBRANCES
SG3	D.C. Paygo (Maintenance & Improvements)	$10,000,000	$8,002,361	$2,455,493	$10,457,854
SG4	Federal Paygo (Athletics)	2,000,000	1,150,880	816,918	1,967,598
SG5	Federal Paygo (Maintenance & Improvements)	10,000,000	5,515,560	4,526,531	10,042,091
	TOTAL	$22,000,000	$14,668,801	$7,798,942	$22,467,543

Source: District of Columbia Public Schools
Report on Pay-As-You-Go Capital Funds
by Peat Marwick, Certified Public Accountants

QUESTION:

4. How much is in your FY 1994 budget for prevention maintenance and emergency repairs?

RESPONE:

4. The FY 1994 Facilities Management budget for preventive maintenance and emergency repairs is $6,134,562, which consists of funds in objects 202, 406, 409, 702 and 706.

5. *The FY 1993 appropriations bill included $1,000,000 for the Anacostia Project to plan and develop an urban demonstration model in mathematics, science and technology in Southeast Washington.*

a. What is the status of that project?

The Anacostia Project is functioning well. The semi-annual report for the first semester reflects all of the activities presently underway. We have continued to address the issues of Multiple Intelligences at Harris and at Orr Elementary Schools in Southeast Washington. The concepts used to create the Little School at Harris have been expanded, and the new program at Orr benefits from the knowledge gained in the first year of operation at Harris. A training program for approximately 180 DCPS teachers began on 28 June and ended on 23 July. This month-long training focused a good deal of attention on the Multiple Intelligences issue while expanding its focus to the Context for Learning, a model created within DCPS based in part upon the experiences of the Little School and the theory of Multiple Intelligences. A full report on this training will be presented in the semi-annual report for the second semester.

We have continued to support instructional programs at Ballou High School by working to ensure that a new Multi-Media Classroom is designed for mathematics and science use at Ballou. We have expanded the Learning Logic program into Eastern High School. We continue carefully to monitor the success of this program; and we are looking to the implementation at Eastern to lead the way in this component. The program continues to function at Ballou and Patricia Roberts Harris. With regard to staff development calculated to improve instructional delivery, we operated a Science Discovery Learning training program for teachers at Mary Church Terrell and at Patricia Roberts Harris. This program, which will be continued in the fall, has developed ten (10) hands-on science lessons which can be used by any teacher. During the next year, ten (10) new lessons will be developed.

At Anacostia High School, we have installed a system which allows voice, video and data to be transmitted from room to room; this system sets a standard for the infrastructure necessary to support the full use of technology within an educational institution. We are moving forward with a collaboration with the University of Arizona to create a Shared Learning Environment, which will allow groups of students to work and plan together, perform research tasks on- and off-line, and save work in progress as well as final presentations. This research project will use the newly designed Little School at Orr for much of its data collection; however, we will also use other sites such as Patricia Roberts Harris and Anacostia, in the completion of this project.

At the request of the superintendent, a major effort focused on creating a prototype school for DCPS. Orr Elementary has been designated as the Superintendent's Prototype School, and the attention of the entire school system has been attracted by the model that will be in place there, which affords DCPS the opportunity to try

appropriate training models in a safe setting. The entire faculty of Orr was part of the Context for Learning training this summer. In addition, the entire faculty was training in word processing and in typing using a novel approach which will be applied to all students, grade two and above, at the school beginning in September. Full reports on all components of the Anacostia Project will be presented with the semi-annual report for the second semester.

QUESTION:
6. What is your projected enrollment for fiscal year 1994, and how does it compare to fiscal year 1993?

a. Please update the table on page 2762 of last year's hearings.

ANSWER:
6. Response is provided on the chart below.

DISTRICT OF COLUMBIA PUBLIC SCHOOLS

	Actual Enroll. SY 1993	Proj. Enroll. SY 1994	Enroll. Diff.
ELEMENTARY SCHOOLS			
Pre-Kindergarten	3,861	3,964	+103
Kindergarten	6,650	6,770	+120
Grades 1-6	37,765	37,810	+ 45
Total, Elementary	48,276	48,544	+268
Junior High	15,712	15,618	- 94
Senior High	14,065	14,249	+184
Citywide Special Education Schools	951	995	+ 44
Secondary Day Students	544	585	+ 41
Tuition Grant Students	455	470	+ 15
Pre-Schools	934	947	+ 13
GRAND TOTAL	80,937	81,408	+471

QUESTION:
7. What is your pupil-teacher ratio expected to be in fiscal year 1994, and how does that compare to fiscal year 1993?

RESPONSE:
7. Response is provided on the attached.

QUESTION:

What are the pupil-teacher ratios from SY 1985-1994

RESPONSE:

Level	SY 85	SY 86	SY 87	SY 88	SY 89	SY 90	SY 91	SY 92	SY 93	SY 94
Pre-Kindergarten			20:1	20:1	20:0	20:1	20:1	20:1	20:1	20:1
Kindergarten			25:1	20:1	20:1	20:1	20:1	20:1	20:1	20:1
Elementary 1-2	25:1	25:1	25:1	20:1	20:1	20:1	20:1	20:1	20:1	20:1
Grades 3	25:1	25:1	25:1	25:1	25:1	20:1	20:1	20:1	20:1	20:1
Grades 4-6	25:1	25:1	25:1	25:1	25:1	25:1	25:1	25:1	25:1	25:1
Junior Academic	26:1	26:1	26:1	26:1 1/	26:1	26:1	26:1	26:1	26:1	25:1
Shop	20:1	18:1	18:1	18:1	18:1	18:1	18:1	18:1	18:1	18:1
Junior Academic English/Math				20:1	20:1	20:1	20:1	20:1	20:1	20:1
Senior Academic	26:1	26:1	26:1	26:1 1/	26:1	26:1	26:1	26:1	26:1	25:1
Shop	18:1	18:1	18:1	18:1	18:1	18:1	18:1	18:1	18:1	18:1
Senior Academic English/Math				20:1	20:1	20:1	20:1	20:1	20:1	20:1

NOTE: All ratio information has been taken from budget documents.

1/ Secondary English and Math not included.

Prepared by
Budget Services Branch
May 1993

QUESTION:

8. What are your per pupil expenditures, and how does that figure compare with the metropolitan area and with other urban school systems (page 2776 of last year's hearings)?

ANSEWER:

8. Response is provided on the attached chart.

COMPARISON-PER PUPIL EXPENDITURES
SCHOOL YEAR 1992-93

Selected Urban School System

School System (Cities)		Per Pupil Expenditures SY 1992-93
Atlanta	GA	$5,445 2/
Baltimore	MD	5,349 2/
Boston	MA	6,398 2/
Cleveland	OH	5,946 (est.) 2/
Milwaukee	WI	Available in October 2/
San Francisco	CA	3,790 2/
St. Louis	MO	6,926 2/
Washington, D.C.		6,146 (est.) 1/

SOURCE: 1/ The amount is derived based on DCPS Computation.

2/ Information received by telephone.

COMPARISON PER PUPIL EXPENDITURES
SCHOOL YEAR 1992-93

Metropolitan Area School System

School System - City and County		Based on Regular Day School Budget Per Pupil Expenditures SY 1992-93
Alexandria	VA	$7,641 2/
Arlington County	VA	7,853 2/
Fairfax County and City	VA	6,239 2/
Falls Church City	VA	8,671 2/
Montgomery County	MD	6,263 2/
Prince George's County	MD	5,029 2/
Washington, D.C.		6,146 1/

SOURCE: 1/ The amount is derived based on DCPS Computation and excludes non-appropriated revenues.

2/ Information received by telephone.

Prepared
September 1993

QUESTION :

9. What is your ratio of administrators to faculty, and how does that compare to other urban school systems?

a. Please update the table on page 2767 of last year's hearings.

RESPONSE:

9. Response is provided below.

1991-1992
RATIO OF ADMINISTRATORS TO FACULTY
DISTRICT OF COLUMBIA PUBLIC SCHOOLS
AND OTHER URBAN SCHOOL SYSTEMS

School District	Teachers	Assistant Principals	Principals	Ratio
Alexandria	902	15	16	1:29
Arlington	1,194	18	28.0	1:25
Charles	1,260	28	28	1:22
D.C.	6,497	167	163	1:19
Fairfax	9,247.4	209	195	1:22
Falls Church	101.2	1.0	4.0	1:20
Howard	1,958.3	68	56	1:15
Montgomery	7,058.9	110	177	1:24
Prince William	2,693	58	61	1:22
Prince Georges	6,537.8	176	173	1:18

Source: Metropolitan Area Boards of Education

Question:

10. How many teacher vacancies did you have as of April 30, 1993?

    a. How does that compare with the last few years?

    b. What is the situation as far as recruiting -- any problems
    (page 2768 of last year's hearing)?

Answer:

10. We are in the process of reconciling position data and we are also conducting individual interviews with each principal to review the staffing needs for school year 1993-94.

Following the interview with principals, we will begin to reassign teachers according to the needs of schools. We will then have an accurate picture of the vacancies.

a. As of April 1991, 78 teacher vacancies were reported.
As of April 1990, 112 teacher vacancies were reported.
As of April 1993, 92 teacher vacancies were reported.

b. There are several critical areas of shortages: Elementary, Early Childhood, Bilingual/ESL and Special Education.

Question:

11. What is the situation regarding teacher retirements -- what has it been averaging, and do you expect a major change in the number of retirements (page 2768 of last year's hearings)?

Answer:

11. The number of retirements for the past two years were higher than normal because of retirement incentives which were offered.

-85 retirements reported in 9/89
-146 retirements reported in 9/90
-129 retirements reported from October 1990 through June 1991
-58 retirements processed from July 1992 through April 1993

We expect retirements to level off around the 1989 rate.

QUESTION

12. What is the status of the proficiency testing program for students who are about to graduate? I believe the school system also has a Life Skills Seminar.

Are all senior year students required to take the proficiency tests or enroll in the Life Skills Seminar?

RESPONSE

From 1982 until the 1992-93 school year, all tenth grade students were required to take the Life Skills Test. The test was administered to determine if a student could be exempted from taking the Life Skills Seminar, a course required graduation and which carried 1/2 credit. Students not exempted from the course were required to enroll and satisfactorily complete the Life Skills seminar before they would be permitted to graduate.

The Life Skills Test was never considered to be a "proficiency test", in that the test was not used to determine whether or not a student would graduate. Although many of the competencies that were tested are similar to those found on many proficiency tests, eg., filling out an application, balancing a bank statement, interpreting a map or bus schedule, the test was used as a screening instrument to determine which students most enroll in the course and for those student enrolled, which competencies will require remediation.

Beginning in the 1993-94 school year, the Life Skills Seminar will still be required for graduation, however, the course will carry one full credit. The course has also changed in design and content, that is, no test will be administered prior to the course to exempt students from enrolling. In addition, the course is no longer skills based but is designed to teach topics involving personal and social living such as human sexuality and drug abuse. The Board of Education passed this new requirement during SY 1991-92.

QUESTION:

13. What are the latest figures on teen pregnancy?

RESPONSE:

13. The actual figures for 1991 are reported in the table below. These figures indicate a decrease in the precent of teen births between 1989 and 1990.

	Actual 1989	Actual 1990	Actual 1991
Total number of live births	11,576	11,806	11,650
■ number of births to teens	2,100	2,102	2,008
■ percentage of births teens	18.2%	17.8%	17.2%
■ number of births to teens 15-19 years of age	2,020	2,019	1,913
■ number of births to teens less than 15 years of age	80	83	95

TABLE 2. – PERCENT OF REPROTED PREGNANCIES ENDING AS A LIVE BIRTH, INDUCED ABORTION, OR FETAL DEATH, BY AGE OF WOMEN; DISTRICT OF COLUMBIA, 1987-1991 1/

Age of Women	Live Births					Induced Abortions 2/					Fetal Deaths 3/				
	1987	1988	1989	1990	1991	1987	1988	1989	1990	1991	1987	1988	1989	1990	1991
Total	49.1	50.2	55.0	55.3	55.1	50.3	49.2	44.3	44.0	44.2	0.6	0.6	0.7	0.7	0.7
Under 15 years	17.8	26.5	39.0	37.9	51.1	81.4	72.5	59.0	61.7	48.4	0.8	1.0	2.0	0.4	0.5
15 - 19 years	42.6	47.4	50.8	54.1	49.9	56.8	52.1	48.6	45.2	49.6	0.6	0.5	0.6	0.7	0.5
20 -24 years	45.8	43.3	51.2	49.7	48.9	53.8	56.1	48.2	49.6	50.6	0.4	0.6	0.6	0.7	0.5
25 - 29 years	50.9	52.9	54.7	57.5	57.0	48.5	46.5	44.6	41.8	42.2	0.6	0.6	0.7	0.7	0.8
30 - 34 years	58.4	58.6	59.6	63.1	64.2	40.9	40.7	39.6	36.4	34.7	0.7	0.7	0.8	0.5	1.1
35 - 39 years	57.5	58.8	68.9	61.7	63.7	41.6	40.6	30.6	37.6	35.2	0.9	0.6	0.5	0.7	1.1
40 years & older	55.5	61.9	74.0	43.9	64.7	43.9	36.8	24.7	55.3	35.1	0.6	1.3	1.3	0.8	0.2

1/ Unknown cases were distributed according to the reported age proportions.
2/ Abortion reporting is voluntary in the District of Columbia. Only abortions performed in D.C. and reported to the Commission of Public Health are included in this table.
3/ Includes only fetal deaths of at least 20 weeks gestation.

Table 2.--PERCENT OF REPORTED PREGNANCIES ENDING AS A LIVE BIRTH, INDUCED ABORTION, OR FETAL DEATH, BY AGE OF WOMEN: DISTRICT OF COLUMBIA, 1987 - 1991[1]

Age of women	Live births					Induced abortions[2]					Fetal deaths[3]				
	1987	1988	1989	1990	1991	1987	1988	1989	1990	1991	1987	1988	1989	1990	1991
Total	49.1	50.2	55.0	55.3	55.1	50.3	49.2	44.3	44.0	44.2	0.6	0.6	0.7	0.7	0.7
Under 15 years	17.8	26.5	39.0	37.9	51.1	81.4	72.5	59.0	61.7	48.4	0.8	1.0	2.0	0.4	0.5
15 - 19 years	42.6	47.4	50.8	54.1	49.9	56.8	52.1	48.6	45.2	49.6	0.6	0.5	0.6	0.7	0.5
20 - 24 years	45.8	43.3	51.2	49.7	48.9	53.8	56.1	48.2	49.6	50.6	0.4	0.6	0.6	0.7	0.5
25 - 29 years	50.9	52.9	54.7	57.5	57.0	48.5	46.5	44.6	41.8	42.2	0.6	0.6	0.7	0.7	0.8
30 - 34 years	58.4	58.6	59.6	63.1	64.2	40.9	40.7	39.6	36.4	34.7	0.7	0.7	0.8	0.5	1.1
35 - 39 years	57.5	58.8	68.9	61.7	63.7	41.6	40.6	30.6	37.6	35.2	0.9	0.6	0.5	0.7	1.1
40 years and older	55.5	61.9	76.0	43.9	64.7	43.9	36.8	24.7	55.3	35.1	0.6	1.3	1.3	0.8	0.2

1/Unknown cases were distributed according to the reported age proportions.
2/Abortion reporting is voluntary in the District of Columbia. Only abortions performed in D.C. and reported to the Commission of Public Health are included in this table.
3/Includes only fetal deaths of at least 20 weeks gestation.

TABLE 20A– ALL RESIDENT D.C. LIVE BIRTHS BY LIVE BIRTH ORDER, AGE OF MOTHER, PLURALITY, RACE AND MARITAL STATUS
WASHINGTON, D. C.

AGE OF MOTHER AND BIRTH PLURALITY	1991 LIVE BIRTH ORDER										
	TOTAL	1ST	2ND	3RD	4TH	5TH	6TH	7TH	8TH	9 & Over	N.S.
TOTAL	11,850	4,469	3,282	2,041	942	445	176	87	26	23	159
LESS THAN 15 YEARS	95	91	4	0	0	0	0	0	0	0	0
11 AND UNDER	0	0	0	0	0	0	0	0	0	0	0
12	0	0	0	0	0	0	0	0	0	0	0
13	13	12	1	0	0	0	0	0	0	0	0
14	82	79	3	0	0	0	0	0	0	0	0
15-19 YEARS	1,913	1,245	485	138	24	4	1	0	0	0	16
15	162	146	113	3	0	0	0	0	0	0	0
16	261	208	45	5	2	0	0	0	0	0	1
17	414	283	11	14	0	0	0	0	0	0	6
18	469	278	132	42	9	1	1	0	0	0	6
19	607	330	184	74	13	3	0	0	0	0	3
20-24 YEARS	3,065	1,233	946	559	203	56	28	1	1	1	37
25-29 YEARS	2,831	783	807	622	335	151	47	29	5	2	50
30-34 YEARS	2,211	640	589	463	251	136	60	30	10	3	29
35-39 YEARS	1,045	297	316	183	95	67	31	20	6	10	20
40-44 YEARS	249	59	73	48	18	23	8	5	4	7	4
45 AND OVER	4	1	1	0	1	1	0	0	0	0	0
NOT STATED	237	120	61	28	15	7	1	2	0	0	3

TABLE 202 -- ALL RESIDENT D.C. LIVE BIRTHS BY LIVE BIRTH ORDER, AGE OF MOTHER, PLURALITY, RACE AND MARITAL STATUS

1991

AGE OF MOTHER AND BIRTH PLURALITY	LIVE BIRTH ORDER										
	TOTAL	1ST	2ND	3RD	4TH	5TH	6TH	7TH	8TH	9 & OVER	N.S.
TOTAL	11650	4469	3382	2041	943	445	176	87	26	33	150
LESS THAN 15 YEARS	95	91	4	0	0	0	0	0	0	0	0
11 AND UNDER	0	0	0	0	0	0	0	0	0	0	0
12	0	0	0	0	0	0	0	0	0	0	0
13	13	12	1	0	0	0	0	0	0	0	0
14	82	79	3	0	0	0	0	0	0	0	0
15-19 YEARS	4913	1245	485	138	24	4	1	1	0	0	16
15	182	146	33	3	0	0	0	0	0	0	0
16	361	268	45	5	2	0	0	0	0	0	1
17	414	293	111	14	0	0	0	0	0	0	0
18	483	278	132	12	9	1	1	0	0	0	6
19	691	330	164	74	13	3	0	0	0	0	1
20-24 YEARS	3069	1333	946	550	207	66	29	11	1	1	37
25-29 YEARS	2831	783	807	622	335	151	47	29	5	2	50
30-34 YEARS	2211	640	589	463	251	136	60	30	10	3	29
35-39 YEARS	1045	297	318	183	85	87	31	20	8	10	20
40-44 YEARS	340	89	73	48	18	23	8	5	4	7	4
45 AND OVER	4	1	1	0	1	1	0	0	0	0	0
NOT STATED	237	120	61	28	15	7	1	2	0	0	3

District of Columbia Public Schools

PER PUPIL ALLOTMENT OF CLASSROOM SUPPORT MATERIAL

(Supplies and Equipment)

	FY 1992			FY 1993			FY 1994 (EST)		
	Total 1/ Allotment	No. of 2/ Pupils	Per Pupil 3/ Allotment	Total 1/ Allotment	No. of 2/ Pupils	Per Pupil 3/ Allotment	Total 1/ Allotment	No. of 2/ Pupils	Per Pupil 3/ Allotment
Pre-Kindergarten	$ 356.9	3,664	$97.39	$ 356.9	3,861	$92.42	$ 356.9	3,964	$90.02
Elementary	4,091.5	44,525	91.89	4,091.5	44,415	92.12	4,091.5	44,580	91.78
Junior High	1,757.0	15,683	112.04	1,757.0	15,712	111.83	1,757.0	15,618	112.50
Senior High	1,637.1	13,764	118.94	1,637.1	14,065	116.40	1,637.1	14,252	115.14
Career Development	93.0	940	98.94	93.0	933	93.66	93.0	N/A	N/A

1/ Total allotment is in thousands.

2/ These figures do not include students in such programs as the Pre-school, City-wide Special Education, Senate Page and others.

3/ The total funding based on per pupil allotment is given to each principal to be distributed at his/her discretion.

Division of Budget
May 1993

QUESTION:

14. Is the public school system involved with the Department of Corrections in the vocational/educational program at Lorton? (p. 2771 of last year's hearings.)

a. Could you give us a brief report on the status of that program -- how many of your personnel are involved, how many inmates are enrolled, and how many have received GEDs?

RESPONSE:

14. Response is provided on the attached.

The Carl D. Perkins Vocational and Applied Technology Education Act (P.L. 101-392) stipulates that for program year 1993, Corrections must receive one percent (1%) or $42,149 of the vocational education grant awarded to the District of Columbia Public Schools. Of this amount, Lorton received $28,234 and Oak Hill (DC Department of Human Services) received $13,915 through the Intra-District Budget Modification process.

One District of Columbia Public School employee (ET-08) devotes approximately 10 percent (10%) of his time to coordination and oversight of compliance issues and monitors program expenditures and accomplishments.

Currently Perkins funds are used to fund approximately 284 students in the following vocational education areas:

. Typing/Word Processing
. Sewing/Clothing Alterations
. Printing/Reproductions
. Computer Literacy
. Graphic Arts

Ninety-three (93) inmates received completion certificates. During program year 1992, 145 out of 242 inmates taking the GED passed the examination.

QUESTION:
15. Please update the tables on page 2773 of last year's hearings regarding pupil membership in public schools.

ANSWER:
15. Response is provided on the attached chart.

DISTRICT OF COLUMBIA PUBLIC SCHOOLS
STUDENT MEMBERSHIP IN THE REGULAR PUBLIC DAY SCHOOLS OF THE DISTRICT OF COLUMBIA
OCTOBER 1982 THROUGH OCTOBER 1992

School Level and Grade	October 1982	October 1983	October 1984	October 1985	October 1986	October 1987	October 1988	October 1989	October 1990	October 1991	October 1992
Elementary Schools	48,726	48,180	48,291	48,587	49,550	50,239	50,014	48,487	48,574	48,189	49,875
Junior High Schools	20,729	20,246	19,505	18,871	18,697	17,767	16,731	15,650	15,789	15,683	12,822
Senior High Schools	15,244	17,406	16,426	16,385	16,301	18,061	16,598	15,591	14,313	13,764	15,327
Vocational High Schools/ Career Development Centers	3,393	226 a/	442 a/	596 a/	793 a/	456 a/	340 a/	337 a/	166 a/	732 a/	544 c/
Senate Page School	86	24	20	24	27	30	29	31	35	30	29
Special Education	2,927	2,761	2,713	2,629	1,037 b/	986 b/	1,080 b/	857 b/	881 b/	904 b/	951 b/
Tuition Grant	481	514	421	365	382	358	350	272	378	470	455
Pre-Schools	242	134	109	220	106	58	164	76	558	846	934
Total	91,828	89,491	87,927	87,677	86,893	87,955	85,306	81,301	80,694	80,618	80,937

a/ Due to a change in program, the membership in Career Development represents post-secondary students only. All Shared-time students in the Career Centers are counted in the regular senior high schools.

b/ This figure represents State Schools/Programs and Mental Health Stations only for membership accounting all students in Special Education housed in regular schools are counted under the regular grade levels.

c/ Represent Post Secondary Day students.

QUESTION:
16. Update the tables on pages 2765 of last year's hearing regarding per pupil expenditures in public schools.

ANSWER:
16. Response is provided on the attached chart.

Revised April 12, 1993

DISTRICT OF COLUMBIA PUBLIC SCHOOLS
PER-PUPIL EXPENDITURES

	Per-Pupil Expenditure Based Upon 80,618 Students SY 1991-1992	Per-Pupil Expenditure Based Upon 80,937 Students SY 1992-1993	Per-Pupil Expenditure Based Upon 81,408 Students SY 1993-1994
Regular Budget			
Appropriations	$519,604,000	$511,282,000	$517,682,000
Less:			
Food Services	10,519,657	13,657,060	13,657,060
Continuing Education	9,075,604	7,864,555	7,864,555
Congressional Pass Throughs	3,150,000	3,150,000	3,150,000
Adjusted	$496,858,739	$486,610,385	$493,010,385
Membership			
Estimated Average Daily Membership (Membership x .99)	80,618	80,937	81,408
Adjustments (FTE):	79,812	80,127	80,594
Stay Program	...	...	...
Pre-school	-846	-937	-949
Adjusted ADM	78,966	79,190	79,645
Per-Pupil Expenditure, Regular Budget	$496,858,739 / 78,966 = $6,292	$486,610,385 / 79,170 = $6,146 2/	$493,010,385 / 79,645 = $6,190 2/
Federal Grant			
FY Appropriations	$ 59,854,523	$ 69,557,482	$ 70,098,040
Less:			
Food Services	16,212,106	18,292,266	18,292,266
Continuing Education	1,425,585	909,767	909,767
Adjusted Federal Grants	$ 42,216,832	$ 50,355,449	$ 50,896,007
Per-Pupil Expenditure - Federal Grants	42,216,832 / 79,812 1/ = $ 529	50,355,449 / 80,127 3/ = $ 628 2/	50,896,007 / 81,543 4/ = $ 624 2/
Total, Per-Pupil Expenditure	$6,821	$6,774 2/	$6,814 4/

1/ Includes 846 pre-school students.
2/ Estimated.
3/ Includes 937 pre-school students.
4/ Includes 949 pre-school students.

QUESTION:
17. Please provide for the record the total budget for the Ellington School for the Arts for fiscal years 1992, 1993 and budgeted for fiscal year 1994. Also, please provide the names of those serving on the school's advisory board, I believe similar information appeared on pages 2777 through 2779 of last year's hearings.

ANSWER:
17. The response is provided on the attached.

DISTRICT OF COLUMBIA PUBLIC SCHOOLS
ELLINGTON SCHOOL OF THE ARTS
FY 1993 BUDGET FUND

Operational Management	Positions	Amount
ET-06 Principal	1	$ 55,4
ET-08 Assistant Principal	2	98,0
ET-15 Counselor	1	36,45
EG-09 Teacher, Voc. Training	1	29,08
DS-07 Administrative Aide	1	24,60
DS-04 Clerical	4	66,60
DS-02 Book Clerk (WAE)	1	1,49
EG-05 Security Aide	1	19,07
EG-04 Composition Aide (60 hr.)	2	20,81
EG-04 Library Aide (60 hr.)	1	10,40
EG-04 Math Aide (60 hr.)	1	10,408
SW-03 Custodian	1	27,480
SW-05 Food Service Foreman	1	25,983
SW-05 Custodian Foreman	1	29,695
RW-07 Custodian	1	23,023
RW-06 Bakery Worker	1	17,015
RW-06 Cook	1	17,015
RW-06 Maintenance Worker Engineer	2	45,372
RW-03 School Maintenance Worker	9	163,044
RW-02 Food Service Worker	2	21,009
WAE	...	58,910
Instruction		
ET-15 Librarian	1	36,454
ET-15 Teacher	52	1,895,608
ET-16 Teacher	33	344,170
Personnel Benefits	...	161,410
Other Than Personal Services		
Classroom Equipment and Supplies	...	20,615
Library and Textbooks	...	5,532
GRAND TOTAL	121	$3,264,762

THE ELLINGTON FUND -- BOARD OF DIRECTORS LIST

a/o 02/10/93

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QUESTION:
18. Update the table on page 2781 of last year's hearings which shows total appropriations, including Federal and private grants, to the District's public schools since 1977.

ANSWER:
18. Response is provided on the attached.

DISTRICT OF COLUMBIA PUBLIC SCHOOLS
AVAILABLE FUNDS

FISCAL YEAR	OPERATING BUDGET 1/	CAPITAL OUTLAY	NON-APPROPRIATED FUNDS	TOTAL
1977	224,787,100	834,000	40,281,535	265,902,635
1978	245,008,600	10,761,500	42,585,100	298,355,200
1979	253,289,100	12,100,000	44,130,300	309,519,400
1980	243,784,500	22,138,900	45,702,800	311,626,200
1981	279,482,800	1,162,500	41,770,100	322,415,400
1982	272,278,300	14,425,000	41,033,000	327,791,300
1983	306,498,000	8,000,000	42,469,000	356,967,000
1984	326,331,000	18,830,000	46,423,000	392,584,000
1985	345,635,000	17,150,000	44,001,000	406,786,000
1986	360,106,000	40,504,000	48,622,000	440,090,000
1987	396,656,000	69,923,000	46,131,000	512,710,000
1988	427,467,000 2/	26,919,000	47,005,000	501,391,000
1989	456,161,000 3/	50,000	56,171,612	512,382,612
1990	497,146,000 4/	N/A	52,786,000	549,932,000
1991	517,641,000 5/	27,500,000 6/	53,342,000	598,483,000
1992	519,604,000 7/	-9,852,000 8/	59,854,423	569,606,423
1993	511,282,000 9/	28,000,000	69,557,000	608,839,000
1994	517,682,000 10/	53,000,000 10/	70,098,000	640,780,000

1/ Actual expenditures including supplementals, where appropriate, are reflected from FY 1977-92.

2/ Includes - $13.9 million in FY 1988 supplementals.

3/ Includes - $3,758 million in FY 1989 supplementals.

4/ Includes rescission of $7,882 million and $2,682 million supplemental to base of $502,346,000.

5/ Includes Council's rescission of $11,123,000 pending before Congress.

6/ Does not include $12,000,000 in Congressional Pay-Go nor $10,000,000 in District's financing for Pay-Go.

7/ Includes Council's rescission of $5.0 million and Supplemental of $1,660.0 million and transfer in of $3.6 million (for rent).

8/ Does not include Congressional Pay-Go of $2,125 million.

9/ Includes Appropriation of $513,552,000 Less Supplemental of $2,270,000.

10/ Pending before Congress.

Note: Starting in FY 1980 Teachers' Retirement, which is approximated at $22,000,000 is transferred to the City Government.

Prepared by
Budget Services Branch
May 1993

QUESTION:
19. Update the table on page 2782 of last year's hearings which shows trends in appropriations since fiscal year 1967-1968.

ANSWER:
19. Response is provided on the attached.

District of Columbia Public Schools

TRENDS IN APPROPRIATIONS AND INFLATION WITH PERCENTS OF 1967-68 LEVELS

AS RELATED TO THE DISTRICT OF COLUMBIA PUBLIC SCHOOLS
(Dollar amount in thoudands)

Fical Year	Actual Total Appropriations (% of 67-68)	Annual % change	Consumer 1/ Price Index	Appropriations 1967 Std. Dollars (% of 67-68)	Real Annual % Change	Adjusted Average Daily Membership	Per Pupil 2/ Costs Current Dollars	Per Pupil Costs 1967 Std. Dollars
1967-68	$101,876.9 (100.0%)	+18.3	100.0	$101,867.0 (100.0)	+ 9.0(est.)	150,435	$ 628 (100.0%)	$ 628 (100.0%)
1968-69	115,913.9 (113.8%)	+13.8	104.7	110,727.7 (108.7%)	+ 8.7	150,864	806 (128.3%)	770 (122.6%)
1969-70	134,123.0 (131.7%)	+15.7	111.2	120,614.2 (118.4%)	+ 8.9	149,636	909 (144.7%)	817 (130.1%)
1970-71	139,985.2 (137.4%)	+ 4.4	117.6	119,035.0 (116.8%)	- 1.3	146,224	945 (151.1%)	807 128.5%)
1971-72	142,358.0 (139.7%)	+ 1.7	122.7	116,021.2 (113.9%)	- 2.5	143,411	985 (156.8%)	801 (127.9%)
1972-73	154,769.8 (151.9%)	+ 8.7	126.9	121,962.0 (119.7)	+ 5.1	140,377	1,041 (165.8%)	820 (130.6%)
1973-74	168,919.2 (165.8%)	+ 9.1	135.0	125,125.3 (122.8%)	+ 2.6	136,133	1,226 (195.2%)	908 (144.6%)
1974-75	187,574.6 (184.1%)	+11.1	150.1	124,966.4 (122.7%)	- 0.1	127,608	1,399 (222.8%)	932 (148.4%)
1975-76	203,980.6 (200.2%)	+ 8.7	161.6	126,225.6 (123.9%)	+ 1.0	125,871	1,548 (246.5%)	958 (152.5%)
1976-77	224,787.1 (220.6%)	+10.2	171.2	131,300.9 (128.9%)	+ 4.0	122,287	1,759 (280.1%)	1,028 (163.7%)
1977-78	243,259.6 (238.8%)	+ 8.3	183.5	132,566.5 (130.1%)	+ 0.9	119,068	1,962 (312.4%)	1,069 (170.2%)
1978-79	253,289.1 (248.6%)	+ 4.1	198.3 3/	127,730.3 (125.4%)	- 3.6	112,224	2,160 (343.9%)	1,089 (173.2%)
1979-80	243,784.5 (239.3%)	- 3.7	219.9 3/	110,861.5 (108.8%)	-13.2	101,815	2,272 (361.8%)	1,033 (164.5%)
1980-81	249,689.3 (245.1%)	+ 2.4	246.2 3/	101,417.3 (99.6%)	- 8.5	97,517	2,390 (380.6%)	971 (154.6%)
1981-82	272,328.8 (267.3%)	+ 9.1	270.5 3/	100,676.1 (98.8%)	- 8.0	92,558	2,762 (439.8%)	1,021 (162.6%)
1982-83	306,498.0 (300.9%)	+12.6	286.9 3/	106,831.0 (104.9%)	+ 6.2	89,392	3,257 (518.6%)	1,135 (180.7%)
1983-84	326,350.0 (320.3%)	+ 6.4	298.7 3/	109,256.8 (107.3%)	+ 2.3	87,122	3,554 (565.9%)	1,190 (189.5%)
1984-85	345,635.0 (339.3%)	+ 5.9	312.6 3/	110,573.3 (108.5%)	+ 1.1	86,848	3,796 (604.5%)	1,192 (189.8%)
1985-86	360,122.0 (353.5%)	+ 4.2	325.1 3/	110,772.7 (108.7%)	+ 0.2	86,600	3,963 (631.1%)	1,219 (194.1%)
1986-87	396,656.0 (389.3%)	+10.1	332.5 3/	119,295.0 (117.1%)	+ 7.7	85,824	4,410 (702.2%)	1,376 (219.1%)
1987-88	413,567.0 (405.9%)	+ 4.3	345.6 3/	119,666.4 (117.5%)	+ 0.3	86,915	4,534 (722.0%)	1,373 (218.6%)
1988-89	456,161.0 (447.8%)	+10.3	360.2 3/	126,641.0 (124.3%)	+ 5.8	84,252	5,201 (828.2%)	1,424 (226.8%)
1989-90	502,346.0 (493.1%)	+10.1	381.5 3/	131,676.5 (129.3%)	+ 4.0	80,212	5,981 (952.4%)	1,593 (253.7%)
1990-91	528,764.0 (519.0%)	+5.3	402.9 3/	131,239.5 (128.8%)	- 0.4	79,329	6,376 (1,015.3%)	1,583 (252.1%)
1991-92	519,604.0 (510.0%)	-1.7	405.2 3/	129,190.5 (126.8%)	- 1.6	78,966	6,289 (1,001.4%)	1,564 (249.0%)
1992-93	513,552.0 (504.1%)	-1.2	428.2 3/	119,932.7 (117.7%)	- 7.2	79,190	6,213 (989.3%)	1,451 (231.1%)

1/ This is the yearly average consumer price index for Washington, D.C. and vicinity.
2/ This computation is based on appropriations exclusive of those for food services and continuing education.
3/ Consumer price index based on urban wage earners and clerical workers (Base 1967 = 100).

Division of Student Services 4/93

QUESTION:
20. Also, please update the tables on pages 2784 through 2789 relating to public schools construction. Please show the present use of each facility, and for those used for classroom instruction programs, please show how many students were assigned to each in 1981-82, and how many are assigned in 1993-94.

ANSWER:
20. Response is provided on the attached.

District of Columbia Public Schools

CONSTRUCTION
1964 - 1993

Elementary Schools	Fiscal Year Completed	No. of Rooms	(Aquisition Cost) Appropriation	ENROLL 1981-82	ENROLL 1992-93
Meyer	1964	34	$ 1,118,726	681	582
Garrison Replacement	1965	34	1,141,694	360	511
Harris	1965	31	1,019,770	583	507
Bunker Hill Addition	1965	14	403,500	490	476
Green	1965	26	1,028,000	710	382
Rudolph Addition	1965	6	213,312	503	502
Hendley Addition	1966	7	279,485	776	552
Green Addition	1966	8	210,000	---	
Kimball Addition	1966	14	654,000	715	469
Raymond Addition	1966	17	820,000	469	715
Gibbs	1967	34	1,964,000	373	384
McGogney	1967	34	1,650,000	594	499
Webb Addition	1967	8	237,000	639	489
Slowe Addition	1967	16	945,100	286	443
Truesdell Addition	1967	16	1,329,600	505	466
Watkins Addition	1968	11	383,000	335	551
Wheatley	1968	14	1,667,800	525	629
Thomas Addition	1968	15	1,695,000	556	400
Tyler Addition	1968	13	1,305,200	439	366
Clark	1968	26	2,826,500	364	325
Emery Replacement	1969	34	1,690,100	561	499
Savoy	1969	34	2,290,000	449	473
Blow-Pierce Replacement	1969	34	2,959,800	478	371
Brent Replacement	1969	16	109,700	248	284
Shadd Replacement	1969	10	628,400	546	498
75 Relocatable Pre-Kindergarten Classrooms	1969	(75)	2,212,500		
Nalle Addition	1970	13	700,000	465	376
Tubman	1970	34	2,963,000	601	607
Seaton Replacement	1970	34	3,517,500	387	403
Ludlow-Taylor Replacement	1970	34	2,853,700	432	340
Sharpe Health Addition	1970	7	1,660,000	248	301
Beers Addition	1970	13	1,312,000	459	663
Shepherd Addition	1970	7	594,500	356	453
Leckie	1970	36	1,968,000	558	568

Elementary Schools	Fiscal Year Completed	No. of Rooms	(Aquisition Cost) Appropriation	ENROLL 1981-82	ENROLL 1992-93
Weatherless	1971	32	$ 2,646,000	471	363
M.L. King Replacement	1971	34	1,841,000	583	545
Ketcham	1971	16	1,573,900	602	573
Randle Highlands Addition	1971	10	905,000	493	409
Turner Addition	1971	17	790,000	659	599
Moten Addition	1971	12	796,000	577	343
Ketcham Addition No. 2	1971	9	569,900	---	
225 Relocatable, Regular	1971	(225)	7,311,000		
Shaed	1972	36	2,520,600	325	441
Lee (SMR)	1972	20	1,977,700	219	242
Payne Addition	1972	14	1,473,100	291	399
Birney Addition	1972	14	804,000	589	556
Webb Addition	1972	17	1,605,900	639	489
Carver Addition	1973	13	2,201,000	177	
Langdon Addition	1973	16	2,408,900	350	344
Thomas Addition No. 2	1973	4	265,000	556	400
Malcolm X	1973	51*	4,633,500	650	545
Bruce-Monroe Replacement	1973	54*	5,849,200	494	476
Amidon Addition (Pre-K)	1975	2*	1,344,100	403	423
J.O. Wilson Addition	1975	20*	2,446,500	469	443
Walker-Jones Addition	1975	18*	2,354,100	600	515
Brookland Replacement	1975	34*	4,593,800	335	386
Orr Replacement	1975	33*	4,245,300	517	537
Ferebee Hope Community School	1975	40*	8,927,500	642	601
Bowen Modernization (Pre-K)	1976	2*	1,859,400	372	312
Benning Replacement	1976	26*	4,905,000	361	318
Merritt Replacement	1976	30*	5,033,500	367	445
P.R. Harris	1976	54*	6,500,000	652	1161
Winston	1976	51*	8,135,500	429	629
Takoma Replacement	1976	44*	7,627,500	363	514
Wilkinson	1976	55*	7,669,000	649	580
Montgomery Addition	1977	19*	2,955,700	490	499
Fletcher-Johnson	1977	34*	5,227,000	1,422	807
Terrell	1977	41*	6,595,000	523	465
Gage-Eckington Replacement	1977	34*	7,021,000	366	332
Bancroft Addition (Pre-K)	1977	7*	1,885,500	559	643
Morgan Replacement (Reed)	1977	54*	9,277,500	323	510

Elementary Schools	Fiscal Year Completed	No. of Rooms	(Aquisition Cost) Appropriation	ENROLL 1981-82	ENROLL 1992-93
West Replacement	1978	25*	$ 6,306,000	372	444
Lafayette Modernization	1978	7*	4,752,100	395	579
Young Modernization (Pre-K)	1979	3*	3,394,700	524	442
Fort Lincoln No. 1	1980	26*	7,668,500	241	435
Burrville Replacement	1980	26*	6,554,500	345	473
Eaton Modernization	1983	2*	3,983,000	243	398
Mann Elementary School (Community Building)	1989	2	282,185	191	234
Murch Elementary School (New Demountable Bldg.)	1989	5	306,491	390	479
Amidon Science Room Improvement	1991	3	73,800		
Parkview Science Room Improvement	1991	3	73,800		
Kimball Science Room Improvement	1991	3	73,800		
Bunker Hill Science Room Improvement	1991	3	73,800		
TOTAL FOR 83 ELEMENTARY SCHOOL PROJECTS		1,759	$ 218,668,163		
Junior High Schools					
Eliot Addition	1964	23	$ 1,344,000	626	436
Evans	1964	37	3,255,000	458	323
Hart Addition	1965	17	1,160,000	1,070	757
Hine Replacement	1966	34	2,918,000	346	789
Rabaut	1967	62	4,167,000	765	343
Roper	1967	63	4,187,000	668	399
Lincoln	1967	63	5,170,500	677	681
Hamilton	1968	63	4,120,000	411	
Garnet-Patterson Alterations	1968	Library & Health Suite	31,500	403	335
Randall Addition	1969	Double gym	855,000	---	
Johnson	1970	63	4,954,800	1,087	502
Deal Addition	1970	6	1,122,000	966	952
Taft Addition	1970	23	1,394,000	731	454
Browne Addition	1971	16	1,654,000	874	569

Elementary Schools	Fiscal Year Completed	No. of Rooms	(Aquisition Cost) Appropriation	ENROLL 1981-82	ENROLL 1992-93
Friendship (HARDS P.R.)	1976	86*	$ 11,544,500	939	1161
Fletcher-Johnson	1977	68*	9,961,500	1,422	807
Shaw Replacement	1977	63	11,742,000	1,105	913
Paul Room Renovation	1990	1	465,150	664	661
Miller Graphic Arts Imprv.	1991	5	61,750		
Kramer Graphic Arts Imprv.	1991	5	61,750		
Evans Graphic Arts Imprv.	1991	5	61,750		
Rabaut Graphic Arts Imprv.	1991	5	61,750		
Banneker Auditorium and Science Room	1991	7	800,000		
Sub-Total for 23 Projects		715	$ 71,092,950		
TOTAL FOR 18 JUNIOR HIGH SCHOOL PROJECTS		715	$ 71,092,950		
Vocational High Schools					
Phelps Addition	1974	7	$ 2,041,500	614	531
M.M. Washington Addition	1980	21	3,632,000	632	166
Burdick Modernization	1982	20	1,421,200	390	
Phelps Modernization	1983	15	5,475,000	---	
Penn Center Modernization	1983	5	1,155,400		
Bell Modernization	1983	27	4,835,000	351	670
M.M. Washington Modernization	1983	12	1,490,000	---	
Chamberlain Modernization	1984	20	2,084,500	558	
M.M. Washington Culinary Arts	1991	7	647,000		
Sub-Total for 9 Projects		134	$ 22,781,600		
Senior High Schools					
Ballou Addition	1971	53	$ 3,053,000	1,902	1482
Spingarn-Phelps Stadium	1971	Seating 5,000	1,104,000	---	
Wilson Addition	1971	6	1,562,000	---	
Woodson	1973	76	10,230,500	1,855	1103
Dunbar Replacement	1977	79*	20,655,200	1,597	785
Anacostia Addition	1978	25	5,900,500	1,511	640
Wilson Addition (Swimming Pool)	1979	1	3,300,000	---	
Roosevelt Addition	1980	57*	13,731,100	1,114	939
Eastern Modernization	1985	50	11,000,000	1,070	2066

Elementary Schools	Fiscal Year Completed	No. of Rooms	(Aquisition Cost) Appropriation	ENROLL 1981-82	ENROLL 1992-93
Senior High Schools (Con't)					
Coolidge Modernization	1987	Gymnasium	11,000,000	1,222	855
McKinley Modernization	1989	78	3,000,000	1,884	887
Ellington Modernization	1990	50	$ 4,400,000	432	446
Banneker Modernization	1990	8	725,000	291	392
Spingarn Modernization	1990	9	1,133,209	960	517
Ballou (Adolescent Care Ctr)	1990	1	83,407	---	
Cardozo Room Conversions	1991	11	1,568,700		
Wilson Room Conversions	1991	15	1,634,819		
Sub-Total for 17 Projects		519	$ 94,081,435		
TOTALS FOR 17 HIGH SCHOOL PROJECTS		519	$ 94,081,435		
GRAND TOTAL FOR 132 PROJECTS 1964 - 1992		3,127	$ 406,624,148		

Prepared by
DIVISION OF FACILITIES MANAGEMENT
April 1993

QUESTION:
21. Update the table on page 2791 of last year's hearings concerning the availability of books, supplies, and materials.

ANSWER:
21. Response is provided on the attached.

District of Columbia Public Schools

PER PUPIL ALLOTMENT OF CLASSROOM SUPPORT MATERIAL

(Supplies and Equipment)

	FY 1992			FY 1993			FY 1994 (EST)		
	Total 1/ Allotment	No. of 2/ Pupils	Per Pupil 3/ Allotment	Total 1/ Allotment	No. of 2/ Pupils	Per Pupil 3/ Allotment	Total 1/ Allotment	No. of 2/ Pupils	Per Pupil 3/ Allotment
Pre-Kindergarten	$ 356.9	3,664	$97.39	$ 356.9	3,861	$92.42	$ 356.9	3,964	$90.02
Elementary	4,091.5	44,525	91.89	4,091.5	44,415	92.12	4,091.5	44,580	91.78
Junior High	1,757.0	15,683	112.04	1,757.0	15,712	111.83	1,757.0	15,618	112.50
Senior High	1,637.1	13,764	118.94	1,637.1	14,065	116.40	1,637.1	14,252	115.14
Career Development	93.0	940	98.94	93.0	933	93.66	93.0	N/A	N/A

1/ Total allotment is in thousands.

2/ These figures do not include students in such programs as the Pre-school, City-wide Special Education, Senate Page and others.

3/ The total funding based on per pupil allotment is given to each principal to be distributed at his/her discretion.

Division of Budget
May 1993

QUESTION:
22. Please provide for the record a status report on your Public/Private Partnerships programs showing where they are located, the kinds of programs available, the number of students enrolled, the successful placements. This information appeared on page 2792 of last year's hearings.

ANSWER:
22. Response is provided on the attached.

PUBLIC/PRIVATE PARTNERSHIP PROGRAMS

BUSINESS AND FINANCE
Woodson High School
55th & Eads Street, N.E.
Washington, D.C. 20019
Ward 7

CAREER ENRICHMENT
Logan Administrative Unit
3rd & D Street, N.E.
Washington, D.C. 20002
Ward 6

COMMUNICATIONS
McKinley High School
2nd & T Streets, N.E.
Washington, D.C. 20002
Ward 5

CULINARY ARTS
M.M. Washington Career High School
O Street between 1st &
North Capitol Streets, N.W.
Washington, D.C. 20001
Ward 5

HEALTH PROFESSIONS
Eastern High School
17th & East Capitol Streets, N.E.
Washington, D.C. 20003
Ward 6

TEACHING PROFESSIONS
Coolidge High School
5th and Tuckerman Streets, N.W.
Washington, D.C. 20011
Ward 4

TRAVEL & TOURISM
Roosevelt High School
13th & Upshur Streets, N.W.
Washington, D.C. 20011
Ward 4

INTERNATIONAL STUDIES
Wilson High School
Nebraska Avenue & Chesapeake Street, N.W.
Street, N.W.
Washington, D.C.
Ward 3

PRE-ARCHITECTURE
Spingarn High School
26th Street & Benning Road, N.E.
Washington, D.C. 20002
Ward 5

PRE-ENGINEERING
Dunbar High School
1301 New Jersey Avenue, N.W.
Washington, D.C. 20001
Ward 5

	TOTAL
BUSINESS AND FINANCE Woodson High School	246
CAREER ENRICHMENT Logan Administrative Unit	98
COMMUNICATIONS McKinley High School	128
CULINARY ARTS M.M. Washington Career High School	30
HEALTH PROFESSIONS Eastern High School	211
TEACHING PROFESSIONS Coolidge High School	104
TRAVEL & TOURISM Roosevelt High School	46
INTERNATIONAL STUDIES Wilson High School	142
PRE-ARCHITECTURE Spingarn High School	50
PRE-ENGINEERING Dunbar High School	225
TOTAL	**1,280**

PUBLIC/PRIVATE PARTNERSHIP PROGRAMS
1992 SENIOR PLACEMENTS

PROGRAMS	SENIORS	COLLEGE/TRADE/ TECHNICAL/SCHOOL	WORK/OTHER
Business & Finance	58	46	12
Career Enrichment	N/A		
Communications	19	13	6
Culinary Arts	22	1	21
Health Professions	43	42	1
International Studies	37	27	10
Pre-Architecture	1	1	
Pre-Engineering	64	60	4
Teaching Professions	25	25	
Travel & Tourism	12	9	3
TOTAL	**281**	**224**	**57**

QUESTION:
23. Update the tables on pages 2795 through 2797 of last year's hearings relating to the food service program. Please include in the table the number of hot meals served.

ANSWER:
23. Response is provided on the attached.

DISTRICT OF COLUMBIA PUBLIC SCHOOLS
FOOD SERVICES PROGRAM
FISCAL YEARS 1987 - 1994

I. ELEMENTARY SCHOOLS	1987	1988	1989	1990	1991	1992	*1993	1994
NUMBER OF SCHOOLS	132	132	126	126	122	121	123	123
NUMBER OF SCHOOLS WITH KITCHENS (CAFETERIA)	60	60	60	60	65	63	65	65
NUMBER OF SCHOOLS WITHOUT KITCHENS (SATELLITE)	72	66	66	66	57	58	58	58
DAILY AVERAGE LUNCHES	36,794	37,532	37,206	33,671	34,287	34,314	32,944	33,932
1. FREE AND REDUCED	31,498	31,127	30,487	27,610	27,945	29,305	29,560	28,842
A. CAFETERIA SERVICE	19,223	18,754	18,354	16,566	17,758	18,016	18,682	17,594
B. SATELLITE SERVICE	12,275	12,273	12,133	11,044	10,187	11,289	10,878	11,248
2. FULLY PAID	5,296	6,405	7,719	6,061	6,342	5,009	3,384	5,090
STUDENT LUNCH PRICE	$0.40	$0.40	$0.40	$0.60	$0.80	$0.80	$1.25	$1.25

* NOTE: 1993 FIGURES BASED ON OCTOBER 1992 BREAKFAST/LUNCH PARTICIPATION REPORTS

DISTRICT OF COLUMBIA PUBLIC SCHOOLS
FOOD SERVICES PROGRAM
FISCAL YEARS 1987 - 1994

II. SECONDARY SCHOOLS	1987	1988	1989	1990	1991	1992	*1993	1994
NUMBER OF SCHOOLS	45	51	51	51	43	45	44	44
NUMBER OF SCHOOLS WITH KITCHENS (CAFETERIA)	-	45	46	45	39	41	41	41
NUMBER OF SCHOOLS WITHOUT KITCHENS (SATELLITE)	-	6	6	6	4	4	3	3
DAILY AVERAGE LUNCHES	9,105	9,553	9,477	7,996	7,452	7,391	8,503	8,758
1. FREE AND REDUCED	5,840	5,332	6,511	5,493	4,367	5,173	6,664	6,831
A. CAFETERIA SERVICE		5,090	6,209	5,186	4,208	4,876	6,596	6,756
B. SATELLITE SERVICE		242	302	307	159	297	68	75
2. FULLY PAID	3,265	4,221	2,966	2,503	3,085	2,218	1,839	1,927
STUDENT LUNCH PRICE	$0.50	$0.50	$0.50	$0.70	$0.70	$1.00	$1.50	$1.50

III. OTHER PROGRAMS	1987	1988	1989	1990	1991	1992	*1993	1994
NUMBER OF SITES					52	72	73	73
NUMBER OF SITES WITH KITCHENS (CAFETERIA)					38	47	47	47
NUMBER OF SITES WITHOUT KITCHENS (SATELLITE)					14	25	26	26
DAILY AVERAGE LUNCHES					1,245	1,332	1,616	1,664

DISTRICT OF COLUMBIA PUBLIC SCHOOLS
FOOD SERVICES PROGRAM
FISCAL YEARS 1987 - 1994

III. OTHER PROGRAMS CONT	1987	1988	1989	1990	1991	1992	*1993	1994
1. FREE AND REDUCED					1,225	1,310	1,596	1,642
A. CAFETERIA SERVICE					866	802	974	1,002
B. SATELLITE SERVICE					359	508	622	640
2. FULLY PAID					19	22	20	22

IV. BREAKFAST (ALL PROGRAMS)	1987	1988	1989	1990	1991	1992	*1993	1994
1. NUMBER OF SCHOOLS WITH BREAKFAST PROGRAMS	170	172	172	172	169	163	163	163
2. AVERAGE DAILY SERVED	12,838	14,045	12,607	12,123	13,937	13,905	13,367	13,768

V. NUMBER OF PRODUCTION SCHOOLS								
1. ELEMENTARY	2	2	2	2	2	2	2	2
2. SECONDARY	6	5	5	5	6	6	6	6

* NOTE. 1993 FIGURES BASED ON OCTOBER 1992 BREAKFAST/LUNCH PARTICIPATION REPORTS
OTHER PROGRAMS INCLUDES BURDICK, ARMSTRONG ABC, CONSOLIDATED HEADSTART, FLOC, FT LINCOLN OTC, ETC
F:\PDATA\HOUSE\FY

QUESTION:
24. Please describe your community school program and the amount available in your FY 1994 budget. Also, please list the schools included in your community school program. (See pages 2798 through 2804 of last year's hearings).

ANSWER:
24. The Community School Program in the District of Columbia, a unit within the Adult, Continuing and Community Education Branch, Division of Special Programs and Alternative Education, District of Columbia Public Schools, is a dynamic grouping of classes and activities located throughout the D. C. area which provides educational and recreational instruction, workshops, and community services to pre-kindergarten students, youths, teens, adults and senior citizens. Special emphasis is placed on providing classes and other activities to the foreign born, single heads of households and children at risk.

The current Community School Program is unique in that it is located within nine elementary schools, one junior high school and one senior high school. Class offerings are the result of community surveys which are based on the specific needs of each respective community. Adult basic education and GED classes are offered continuously at each site and play a major role in assisting adults in becoming participatory members of society.

Each of the eleven community schools is diverse in its offerings. However, because the city is multi-ethnic and the socioeconomic backgrounds of its citizens vary from one district to another, each community school program strives to accommodate the community it serves by offering services, classes and activities to assist in effecting change for its constituents. The eleven community schools, and the program thrust for each, are as follows:

Beers Community School, 35th Street and Alabama Avenue, S.E.,Washington, D.C. 20020. Total family involvement providing education classes and activities which assist in keeping the family together as a unit. Emphasis is placed on increasing student achievement and reducing the drop-out rate through academic tutorials, cultural work- shops and enrichment classes.

Bruce-Monroe Community School, 3012 Georgia Avenue, N.W., Washington, D.C. 20001. Family literacy programs, increased parental involvement in the student learning process and school community partner-ships are emphasized. The School and Community Store Parent Education Workshops, Homework Hall/Cross Age Tutoring and the Overnight Read In Project are programs designed to attract hard to reach "at risk inner city families" to Bruce Monroe.

Bunker-Hill Community School, 14th Street and Michigan Avenue, N.E., Washington, D.C. 20011, A program designed to increase student test scores through an intensive after school tutorial program which emphasizes home work assistance, Reading is Fundamental and preparing students to practice good study habits. GED preparation and computer literacy classes are available for adults.

Coolidge Community School, 5th and Tuckerman Streets, N.W., Washington, D.C. 20011. The only community school located within a senior high school. It provides the necessary course work so that teens can retain their original class status and graduate on time while others can realize the goal of receiving a high school diploma. In addition to stressing academic attainment, the community program makes the building accessible to other organizations for use such as the D.C. Youth Orchestra, Camp Fire Girls, Cosan Arts Institute, Number 6 Police Boys and Girls Clubs and other student centered activities.

Ferebee-Hope Community School, 8th and Yuma Streets, S.E., Washington, D.C. 20032. A combine center in far southeast Washington, D.C. for pre-kindergarten through adult instruction. The facility is geared to accommodate health and fitness activities, recreational and cultural activities, comprehensive health care, community forums and neighborhood activities.

Fort Lincoln Community School, 31st Place and Fort Lincoln Drive, N.E., Washington, D.C. 20018. Intergenerational Learning is stressed with the ages ranging from nursery to senior citizens. The before and after care program provides an alternative child care activity for working parents from 7:00 a.m. until 6:00 p.m. Fort Lincoln is known for its programs for senior citizens and the Golden Dolphins swim club, tennis classes and trimnastics.

Marie Reed Community School, 2200 Champlain Street, N.W., Washington, D.C. 20001. Programs and services are designed to honor and respect the different cultures as they co-mingle and exist within the Adams-Morgan Community. The community program is unique in that it serves families from every section of this hemisphere. The program focuses attention on academic enrichment, cultural enrichment, English classes for the foreign born, and skill building classes and activities.

River Terrace Community School, 34th and Dix Street, N.E. Washington, D.C. 20019. Educational counseling services are provided to assist students and members of the community in planning their careers, seeking employment and building self -esteem. River Terrace, like other communities, has concerns such as single parent homes, drugs, high school drop out rate, high crime, unemployment and teenage pregnancy. In order to address these concerns, the program provides educational counseling services which assist students and member of the community in planning their careers, seeking employment and building self-esteem.

Shaw Community School, 10th and Rhode Island Avenue, N.W., Washington, D.C. 20001. The only community school located within a junior high school, it emphasizes educational, social, cultural, vocation, recreational experiences for children and adults. The community school staff gives full consideration to individual differences in physical,mental, social, creative, emotional, ethical and spiritual development. The music program is lauded as being one of the best in the city. Students have traveled throughout the continental United States participating in national parades, football games and festivals.

Takoma Community School, Piney Branch Road and Dahlia Street, N.W., Washington, D.C. 20012. The parent run nursery, one of the first of its kind in the public school system, operates on a full-day basis for children between the ages of two and four. The perceptual motor approach is used for the total development of each student. Future plans for the program include expanding the nursery and the before and after care program.

Winston Community School, 31st and Erie Streets, S.E., Washington, D.C. 20020. The program provides vocational, academic, recreational, enrichment and leisure time educational experiences to community members who are drawn from a large cross section of residents in the southeast corridor of the city. Social Services, educational activities and job related activities are offered in an area where single heads of housholds are considered the norm and where a great deal of poverty, delinquency, poor health, illiteracy and unemployment exist.

The operating budget for Community Schools for FY 1993 was $2,903,782. For additional information on Community School Programs, please contact my office on 724-4208.

DISTRICT OF COLUMBIA PUBLIC SCHOOLS

COMMUNITY SCHOOL FUNDS FOR SY 1992 - 1993

School	Positions	Amount	Total
Beers			
ET-08 Assistant Principal	1	$ 46,915	$ 46,915 1/
DS-04 Clerk-Typist	1	15,940	15,940 1/
WAE	...	31,391	31,391 1/
Fica	...	3,879	3,879 1/
Benefits	...	2,619	2,619 1/
Supplies (Office)	...	1,120	1,120 1/
Equipment	...	728	728 1/
Total	2	$102,592	$102,592 1/
Bunker-Hill			
DS-04 Clerk Typist	1	$ 15,940	$ 15,940 1/
WAE	...	49,817	49,817 1/
Fica	...	3,812	3,812 1/
Benefits	...	2,619	2,619 1/
Supplies (Office)	...	1,505	1,505 1/
Total	1	$ 73,693	$ 73,693 1/
Bruce-Monroe			
ET-08 Assistant Principal	1	$ 46,915	$ 46,915 1/
DS-04 Clerk-Typist	1	15,940	15,940 1/
WAE	...	63,876	63,876 1/
Fica	...	5,863	5,863 1/
Benefits	...	4,132	4,132 1/
Suppplies (Office)	...	2,156	2,156 1/
Total	2	$138,882	$138,882 1/
Coolidge			
ET-08 Assistant Principal	1	$ 46,915	$ 46,915 1/
DS-05 Central Office Clerk	1	18,255	18,255 1/
DS-04 Clerk-Typist	1	15,940	15,940 1/
WAE	...	36,324	36,324 1/
Fica	...	2,918	2,918 1/
Benefits	...	6,931	6,931 1/
Supplies (Office	...	136	136 1/
Equipment	...	2,909	2,909 1/
Total	3	$130,328	$130,328 1/

1/ Positions and allocations are subject to change as a result of the District of Columbia Public Schools downsizing to be completed as of June 30, 1993.

DISTRICT OF COLUMBIA PUBLIC SCHOOLS

COMMUNITY SCHOOL FUNDS FOR SY 1992 - 1993 (Continued)

School	Positions	Amount	Total
Ferebee-Hope			
ET-08 Assistant Principal	1	$ 46,915	$ 46,915 1/
DS-05 Central Office Clerk	1	18,255	18,255 1/
DS-04 Clerk-Typist	1	15,940	15,940 1/
WAE	...	84,430	84,430 1/
Fica	...	6,554	6,554 1/
Benefits	...	6,931	6,931 1/
Supplies (Office)	...	2,737	2,737 1/
Total	3	$181,762	$181,762 1/
Fort Lincoln			
ET-08 Assistant Principal	1	$ 46,915	$ 46,915 1/
DS-05 Central Office Clerk	1	18,255	18,255 1/
DS-04 Clerk-Typist	1	15,940	15,940 1/
WAE	...	52,135	52,135 1/
Fica	...	4,608	4,608 1/
Benefits	...	6,931	6,931 1/
Supplies (Office/Maintenance)	...	3,003	3,003 1/
Total	3	$147,787	$147,787 1/
Marie Reed			
DS-05 Central Office Clerk	2	$ 36,510	$ 36,510 1/
DS-04 Clerk-Typist	1	15,940	15,940 1/
WAE	...	43,814	43,814 1/
Fica	...	3,352	3,352 1/
Benefits	...	8,217	8,217 1/
Supplies (Office)	...	2,051	2,051 1/
Total	3	$109,884	$109,884 1/
River Terrace			
ET-08 Assistant Principal	1	$ 46,915	$ 46,915 1/
WAE	...	59,287	59,287 1/
Fica	...	6,978	6,978 1/
Benefits	...	1,513	1,513 1/
Supplies (Office)	...	2,289	2,289 1/
Total	1	$116,982	$116,982 1/

1/ Positions and allocations are subject to change as a result of the District of Columbia Public Schools downsizing to be completed as of June 30, 1993.

DISTRICT OF COLUMBIA PUBLIC SCHOOLS

COMMUNITY SCHOOL FUNDS FOR SY 1992 - 1993 (Continued)

School	Positions	Amount	Total
Shaw			
ET-08 Assistant Principal	1	$ 46,915	$ 46,915 1/
DS-05 Central Office Clerk	2	36,510	36,510 1/
DS-04 Clerk-Typist	1	15,940	15,940 1/
WAE	...	59,222	59,222 1/
Fica	...	4,630	4,630 1/
Benefits	...	9,730	9,730 1/
Supplies (Educational)	...	4,011	4,011 1/
Total	4	$ 176,958	$ 176,958 1/
Takoma			
ET-08 Assistant Principal	1	$ 46,915	$ 46,915 1/
WAE	...	49,547	49,547 1/
Fica	...	6,368	6,368 1/
Benefits	...	1,513	1,513 1/
Supplies (Office)	...	1,428	1,428 1/
Total	2	$ 105,771	$ 105,771 1/
Winston			
ET-08 Assistant Principal	1	$ 46,915	$ 46,915 1/
DS-04 Clerk-Typist	1	15,940	15,940 1/
WAE	...	31,913	31.913 1/
Fica	...	4,497	4,497 1/
Benefits	...	4,132	4,132 1/
Supplies (Office)	...	1,125	1,125 1/
Textbooks (Equipment)	...	597	597 1/
Total	2	$ 105,119	$ 105,119 1/
Grand Total	26	$1,389,758	$1,389,758 1/

1/ Positions and allocations are subject to change as a result of the District of Columbia Public Schools downsizing to be completed as of June 30, 1993.

QUESTION:
25. Update the table on page 2806 of last year's hearings concerning your driver education program.

ANSWER:
25. Response is provided on the attached.

DUSTRUCT OF COLUMBIA PUBLIC SCHOOLS

DRIVER EDUCATION PROGRAM

Fiscal Year	Pupil Enrollment	Appropriated Funds	Intra-District Transfer	Federal Grants	Total Fund
89 Public	2,500				
Parochial & Private	240				
Saturday & Summer	550				
Total	3,290	...	$515,000	...	$515,000
90 Public	2,850				
Parochial & Private	000				
Saturday & Summer	000				
Total	2,850	...	$515,000	...	$685,000
91 Public	2,500				
Parochial & Private	240				
Saturday & Summer	340				
Total	3,080	$225,000	$515,000	...	$740,000
92 Public	2,500				
Parochial & Private	200				
Saturday & Summer	460				
Total	3,090	$225,000	$515,000 1/	...	$740,000
93 Public	2,500				
Parochial & Private	300				
Saturday & Summer	500				
Total	3,300	$225,000	$515,000 1/	...	$740,000
94 Public	2,425				
Parochial & Private	360				
Saturday & Summer	425				
Total	3,210	$225,000	$515,000 1/	...	$740,000

1/ Projection.

On February 1, 1982, the City Council approved a special revenue source for Driver Education. These funds are collected by the District of Columbia Department of Public Works (Transportation) and transferred to District of Columbia Public Schools for the Driver Education Program.

QUESTION:
26. Please update the tables on page 2807 of last year's hearings concerning vandalism.

RESPONSE:
26. Response is provided on the attached.

DISTRICT OF COLUMBIA PUBLIC SCHOOLS
VANDALISM REPAIR COSTS
OCTOBER 1, 1992 - APRIL 15, 1993

Work Order recorded to date - 174 Vandalism related

Carpentry	$ 3,674.51
Plumbing	4,166.72
Fencing	232.66
Fire Alarms/Electrical	3,039.50
Glazing	4,429.36
Graffiti	1,365.98
Locksmith	2,181.30
Roofing	0.00
Painting	2,474.14
Welding	1,598.66
Masonry	0.00
Plastering	0.00
Gardening	2,719.20
Boiler Plant	173.17
	$26,055.20

Prepared by
DIVISION OF FACILITIES MANAGEMENT
April 1993

QUESTION:
27. Please update the tables on page 2808 of last year's hearings concerning average salaries for classroom teachers.

RESPONSE:
27. Response is provided on the attached.

COMPARISON OF ANNUAL SALARIES OF CLASSROOM TEACHERS

SCHOOL DISTRICT WASHINGTON, D.C. METROPOLITAN AREA		SY 1991-92 MINIMUM	SY 1991-92 MAXIMUM	SY 1992-93 MINIMUM	SY 1992-93 MAXIMUM
Alexandria City	VA	26,826	58,029	26,826	57,033
Arlington County	VA	26,272	61,528	26,272	44,801
Fairfax County & City	VA	25,000	53,564	25,000	54,576
Montgomery County	MD	27,484	55,614	27,484	55,614
Prince George's County	MD	24,500	49,284	25,000	50,000
Falls Church City	VA	25,345	57,026	25,345	57,026
Washington, D.C.		23,305	48,175	23,305	48,175

15 LARGE CITY SCHOOL DISTRICTS		SY 1991-92 MINIMUM	SY 1991-92 MAXIMUM	SY 1992-93 MINIMUM	SY 1992-93 MAXIMUM
Atlanta	GA	26,196	48,612	26,724	49,416
Baltimore	MD	22,162	45,558	22,162	45,558
Boston	MA	27,357	49,067	27,357	47,767
Chicago	ILL	N/A	N/A	29,147	51,860
Cleveland	OH	24,830	48,746	19,155	51,017
Dallas	TX	22,720	38,482	24,000	41,021
Houston	TX	22,660	39,655	24,000	36,748
Los Angeles	CA	33,096	58,668	26,840	59,232
Milwaukee	WI	23,113	46,907	23,113	46,907
New Orleans	LA	20,198	36,447	20,198	36,447
New York	NY	26,375	52,750	26,375	52,750
Philadelphia	PA	24,000	49,600	26,000	52,000
St. Louis	MO	22,165	42,575	22,165	42,575
San Francisco	CA	26,136	47,162	26,136	47,162
Washington, D.C.		23,305	48,175	23,305	48,175

QUESTION:
28. Update the table on page 2809 of last year's hearings concerning the tenure status of teachers in service.

RESPONSE:
28. Response is provided on the attached.

DISTRICT OF COLUMBIA PUBLIC SCHOOLS
TENURE STATUS OF TEACHERS IN SERVICE 1/

	PERMANENT TEACHERS		PROBATIONARY TEACHERS		TEMPORARY TEACHERS		TOTAL TEACHERS IN SERVICE	
DATE	NUMBER	PERCENT	NUMBER	PERCENT	NUMBER	PERCENT	NUMBER	TOTAL PERCENTAGE
10-21-71	4,927	66.30	1,781	23.90	726	9.80	7,434	100.00
10-19-72	5,560	76.80	876	12.00	814	11.20	7,241	100.00
10-16-74	5,895	75.60	1,097	14.10	803	10.30	7,795	100.00
10-31-75	6,345	84.90	655	8.77	474	6.33	7,474	100.00
10-15-76	6,304	86.44	610	8.36	379	5.20	7,293	100.00
10-31-77	6,038	89.20	437	6.44	308	4.54	6,783	100.00
10-31-78	5,926	89.00	397	6.00	299	5.00	6,622	100.00
11-15-79	5,797	88.10	355	5.40	426	6.50	6,578	100.00
12-31-80	5,260	89.06	233	3.77	423	7.16	5,906	100.00
12-31-81	5,247	89.94	206	3.53	381	6.53	5,834	100.00
12-31-82	5,102	91.00	198	3.50	311	5.50	5,611	100.00
12-31-84	5,040	91.00	201	3.70	295	5.30	5,536	100.00
12-31-85	5,714	87.00	287	4.00	605	9.00	6,607	100.00
12-31-86	4,840	82.00	850	14.00	216	4.00	5,906	100.00
12-31-87	4,839	74.47	1,349	20.76	310	4.77	6,498	100.00
03-21-89	5,246	77.00	1,297	19.00	268	.04	6,825	100.00
02-09-90	5,168	79.22	1,156	17.72	200	3.06	6,524	100.00
05-10-91	5,197	80.71	874	13.57	368	5.72	6,439	100.00
05-01-92	5,237	84.02	689	11.05	307	4.93	6,233	100.00
02-01-93	5,263	81.26	763	11.78	451	6.96	6,477	100.00

1/ Includes Classroom Teachers, Counselors, Librarians, School Psychologists, Pupil Personnel Workers, Social Services Workers, Psychometrist, Speech Therapists, Reading Clinicians and Community Coordinators.

2/ Does not include employees on federal funds.

QUESTION:
29. Please provide for the record a listing, similar to that on page 2812 of last year's hearings, showing the quantity of fuel, by type of fuel, purchased and consumed by the school system for fiscal year 1992, 1993 estimate and 1994 budgeted.

RESPONSE:
29. Response is provided on the attached.

THE FUEL OIL CONSUMPTION AND COST DATA FOR THE DISTRICT OF COLUMBIA PUBLIC SCHOOLS
FOR FY 1989, FY 1990, FY 1991, FY 1992 AND FY 1993, ESTIMATED
(Dollars in Thousands)

Item	FY 1989 Consumption	FY 1989 Cost	FY 1990 Consumption	FY 1990 Cost	FY 1991 (ACTUAL) Consumption	FY 1991 (ACTUAL) Cost	FY 1992 (ACTUAL) Consumption	FY 1992 (ACTUAL) Cost	FY 1993 (EST.) Consumption	FY 1993 (EST.) Cost	FY 1994 (BUDGETED) Consumption	FY 1994 (BUDGETED) Cost
Fuel Oil #1	...	$ ...	...	$ ...	...	$ ...	...	$ ...	...	$ ...	...	$ ...
Fuel Oil #2	3,000,000 gal	3,000	3,118 gal	2,650	2,118,000 gal	1,800	2,000,000 gal	1,500	2,200,000 gal	1,520	2,200,000 gal	2,000
Fuel Oil #4	...	...	...	...	...	...	...	...	...	...	...	...
Fuel Oil #6	1,000,000 gal	1,000	...	...	...	...	...	...	...	...	...	...
Gasoline	...	...	1,180,000 gal	661	660,000 gal	693	660,000 gal	693	937,000 gal	695	937,000 gal	723
Lubricants	...	...	...	...	...	...	...	...	...	...	...	...
Natural Gas	5.32 M Therms	4,200	5.93 M Therms	3,500	7.47 M Therms	4,480	6.9 M Therms	4,100	7.1 M Therms	5,600	7.7 M Therms	5,700
Totals		$8,200		$6,811		$6,973		$6,293		$7,815		$8,423

July 1993

QUESTION:
30. Please provide a chart showing the number and dollar value of sole-source contracts, competitive-bid contracts and total contracts entered into by the public school system during fiscal years 1991, 1992 and estimated for 1993 (see page 2813 of last year's hearings).

RESPONSE:
30. Response is provided on the attached.

March 1, 1993

Sole Source and Competitive Chart

FY- 1991	**Number**	**Amount**
Sole Source	79	$ 4,309,988.00
Competitive	262	31,809,269.00
FY- 1992		
Sole Source	67	$ 5,936,842.00
Competitive	156	25,640,556.00
FY- 1993 (Estimated)		
Sole Source	69	$ 5,632,481.00
Competitive	162	37,429,609.00

CONGRESSMAN BONILLA'S QUESTIONS FOR THE RECORD

Mr. DIXON. Congressman Bonilla was unable to be here for your testimony but he has some questions that he would like answered for the record.

Dr. SMITH. We would be happy to do that.

[Congressman Bonilla's questions and the Board's response follow:]

1. What have the District of Columbia Public Schools done to respond to the specific recommendations made by the U.S. Commission on Civil Rights in the Mt.Pleasant Report? What is the timetable for responding to each recommendation?

Response: The District of Columbia Public Schools has been very responsive not only to the U. S. Commission on Civil Rights but to other groups in the community that have an interest in and act as advocates for our language minority school-aged population. In summary, the following actions have been taken since January 1992:

January 9, 1992: On this date, the Superintendent of Schools and staff met with representatives of the D.C. Latino Civil Rights Task Force to discuss the findings presented in the Latino Blueprint for Action (1991) and the Comprehensive Plan for Educating Language Minority Students in the District of Columbia (October 1989).

March 2, 1992: In follow-up to the January 9, 1993 meeting, the Superintendent forwarded to the Education Committee of the D.C. Latino Civil Rights Task Force specific responses to each of the recommendations made in the major reports discussed detailing actions that have taken place and future plans. (See Attachment A).

October 27, 1992: At the request of the United States Commission on Civil Rights, the D.C. Public Schools was given the opportunity to review the preliminary report of the Commission on its examination of the concerns expressed by the District's Latino community subsequent to the Mount Pleasant disturbance in May of 1991. The Superintendent of Schools responded to the Commission's preliminary report indicating certain areas where the report failed to note major steps that had been taken by the school system to address some of the findings and recommendations. (See Attachment B).

December 3, 1992: At the request of the Mayor's Commission on Latino Community Development (CLCD), the Deputy Superintendent of Schools and the Director of the Language Minority Affairs Branch presented testimony and answered questions at a public hearing to discuss the school system's status with respect to the findings and recommendations embodied in the Comprehensive Plan for Educating Language Minority Students in the District of Columbia Public Schools, the Latino Blueprint for Action and the Commission on Civil Rights report. (See Attachment C).

March 15, 1992: On this date, Dr. Carmen Ramirez, Executive Director of the Mayor's Office on Latino Affairs wrote to the Superintendent of Schools requesting that the District of Columbia Public Schools review and respond to the Latino Blueprint for Action. On April 26, 1993, the Superintendent of Schools responded to this request providing an update to our previous submission of March 2, 1992. (See attachment D).

April 14, 1993: On this date, the Acting Staff Director of the United States Commission on Civil Rights wrote to the Superintendent of Schools indicating that, at the request of the Commissioners, a meeting be scheduled to discuss efforts that have been undertaken by the D.C. Public Schools to implement the recommendations of the Mount Pleasant Report. In follow-up to that request, a meeting was scheduled and held on July 1, 1993. Invitees included representatives from the Commission on Civil Rights, the D.C. Latino Civil Rights Task Force and the Mayor's Office of Latino Affairs. (See Attachment E).

RESPONSES TO QUESTIONS SUBMITTED FOR THE RECORD
DISTRICT OF COLUMBIA SUBCOMMITTEE
COMMITTEE ON APPROPRIATIONS

2. How does this budget request reflect and provide the resources necessary to respond to the recommendations of the U. S. Commission on Civil Rights?

Response: Although there has been no **increase** in the budget, the school system has increased the number of Bilingual/ESL instructional staff since 1990, (147 to 230). In addition, the school system established an office (Language Minority Affairs Branch, LEA) within the administration that is responsible for the overall educational programs/services for non-English/limited-English proficient students.

3. What are the total amount of federal dollars received by the District of Columbia Public Schools because of DC's language minority population and where are the total dollars in District of Columbia Public Schools current budget allocated for language minorities?

Response: There are six (6) Title VII grants (funded by the Office of Bilingual Education and Minority Languages Affairs, OBEMLA) awarded to the District of Columbia Public Schools:

• State Technical Assistance	**$ 75,000.**
• Emergency Immigrant	**$244,692.**
• Plug in Opportunities for Students with Special Needs	**$175,000.**
• Preschool Readiness in English	**$162,273.**
• Videodisc Technology Literacy	**$105,577.**
• Discover DC	**$126,000.**
Total:	**$888,542.**

These grants supplement existing Bilingual/ESL programs with school-based projects in approximately sixteen (16) schools and provide support services throughout the seventy-five (75) Bilingual/ESL schools in the DCPS.

4. Does the Board of Education have a policy on Language Minority and if it is under development when can we expect a policy to be announced?

Response: On April 19, 1993, the Superintendent of Schools sent to the Board of Education proposed rulemaking language for policy consideration that would further expand and strengthen existing policy related to language minority students enrolled in the D.C. Public Schools. On July 1, 1993, the Board's Committee on Human Resource Management, Rules and Legislation voted to send to the full Board of Education emergency rulemaking language for inclusion in the Board Rules. Once approved by the full Board of Education, the proposed rulemaking language will be placed in the D.C. Register for public review and comment prior to final adoption.

INVOLVEMENT OF PARENTS UNITED IN SUMMIT AGREEMENT

Mr. DIXON. Let me ask you whether, the organization Parents United was involved in any way either before or after the summit agreement?

Dr. SMITH. Were they involved before? I think they have been involved on both ends of it. I have to give them credit for the summit occurring in the first place because, as a result of the Mayor's budget hearings that were held around the city in various wards, the voice of the parents, and the parent groups coordinating that effort, insisted that the Mayor come to some kind of consensus with the Board in reference to the school budget. So I have to give them credit on that side. And I think since that time, there has been continuous pressure to make sure that the agreement is adhered to.

PARENTS UNITED FOR D.C. PUBLIC SCHOOLS

Mr. DIXON. If you would stay for the next witnesses, Dr. Smith, we have with us Delabian Rice-Thurston, Executive Director of Parents United for D.C. Public Schools, and Mary Levy, who is the Finance Analyst. Parents United is, basically, an organization advocating increased funding, more accountability, and improvements in D.C. public schools. We will ask her or anyone with that group to come forward.

The only reason I ask that you stay, Dr. Smith, is the minute you leave, some issue will come up that we might want to discuss.

Ms. Thurston, it's nice to see both you and Ms. Levy again.

Ms. Thurston, you can sit right here. Why don't we pull up another chair here for Ms. Levy.

PREPARED STATEMENT OF PARENTS UNITED

If you have a prepared statement, and I know you do, we will submit it for the record.

Ms. THURSTON. Thank you, Mr. Chairman.

[The prepared statement referred to follows:]

Parents United for the D.C. Public Schools

1400 'Eye' Street, N.W., Suite 450 Washington, D.C. 20005 (202) 289-4988

STATEMENT OF PARENTS UNITED FOR THE D.C. PUBLIC SCHOOLS BEFORE THE SUBCOMMITTEE ON THE DISTRICT OF COLUMBIA COMMITTEE ON APPROPRIATIONS OF THE U.S. HOUSE OF REPRESENTATIVES

Wednesday, June 9, 1993

Thank you, Mr. Chairman and members of the Subcommittee, for giving Parents United the opportunity to participate in this hearing. We are here today to support the proposed budget of $517.7 million for FY 1994, as enacted by the D.C. Council.

We are also here to support full implementation of the agreement among the Mayor, Council Chairman and Board of Education (the "Summit Agreement") that underlies this budget level. The terms of that agreement commit the D.C. Public Schools, inter alia, to:

- close 10 buildings currently occupied by students by June 30, 1993
- cut the DCPS payroll as of January 1993 by 883 full-time employees by June 30, 1993
- negotiate collective bargaining contracts to increase teacher and principal salaries by 6.5% in FY 1993 and 5.5% in FY 1994

The Mayor and Council are committed to:

- maintain the DCPS budget without base cuts in FY 1993 and FY 1994
- fund the pay raises for teachers and principals.

The budget levels proposed for Congressional action are the amounts currently estimated to be necessary to carry out the Summit Agreement. It is our understanding that if savings from building closings and payroll cuts are insufficient to cover the pay raises specified in the Summit Agreement, the Mayor and Council are commited to provide additional supplemental funding.

We thought it would be helpful to the Committee to report briefly on the status of some major issues confronting the schools, particularly those involved in implementing the Summit Agreement. We can provide additional data and information if any members of the Committee so desire.

1. **Physical Condition of Public School Facilities**. The D.C. Public Schools were tested with the responsibility of a sudden influx of Congressional and regular capital funding in FY 1991 and FY 1992. Facilities Management passed the test with flying colors, successfully completing numerous repairs, correcting thousands of Fire Code violations, and installing playground equipment all over the District. But now serious concerns have now arisen over whether the District will provide major capital funding required for further repairs. $50 million promised in FY 1993 capital financing was reduced to $30 million, and none of the money has yet appeared, while the Fiscal Year is three-quarters over and District officials discuss "borrowing" capital funds for non-capital purposes.

2. **School Closings Pursuant to the Summit Agreement**. The Superintendent recommended the closing of eleven buildings, and formal Board of Education action is scheduled for June 14, 1993. All indications are that at least ten schools will be permanently closed. The closing process this time, while imperfect, did give parents an opportunity to define the educational programs they value. The consolidation plans published focus on education, for example adding foreign language and more science exposure in the elementary schools involved, and focussing on science and technology in the junior highs. Implementing these ideas requires adequate funding. The downsizing and "rightsizing" efforts give us some confidence that money will be wisely spent.

3. **Payroll Downsizing and Central Office Restructuring**. At least 883 of the jobs filled as of January have been identified for elimination, and letters for specific employee RIFs and non-reappointment of temporary employees were delivered in time to permit the required payroll cuts by June 30. Payroll must be monitored next fall to determine whether reductions will be maintained. We are relieved that fewer teachers were cut than we had originally feared. We are concerned, however, about "bumping rights." The potential damage to effective schools and programs is great if senior staff who are not properly qualified for particular positions "bump down" into them. Outcomes will not be fully clear until schools open next fall.

4. **Fiscal Accountability**. As described in various reports recently publicized, problems and inadequacies in DCPS reporting and practice unquestionably exist. The situation is considerably better than that of two years ago, and highly qualified independent professionals are preparing plans to deal with the remaining problems. The test will come when DCPS will either act on these plans or ignore them.

5. **Teacher Quality Issues**. The D.C. Government, the school system, and the Teachers' Union, each without malice and without wit, has acted separately to create an overwhelmingly negative, combined impact on teachers and on children. The low salaries, which are non-competitive in the region, the furloughs that cost 5% of wages, the ineffective assessment process and overall treatment of teachers, and the RIF and non-reappointment of large numbers of temporary teachers have conspired to perpetuate poor performance and demoralize and discourage good teachers.

6. **School Based Management**. Implementation of greater local school autonomy and shared decisionmaking is largely still in the stage of rhetoric. The system will soon receive

competent independent professional advice on achieving school based management with a small central office component oriented toward standards and service. As with improving fiscal reporting and practice, the test will be the system's willingness and ability to implement that advice when it is proferred.

7. **Educational Outcomes**. Indicators available over time -- test scores, attendance, dropout rates -- reflect stagnance in performance at unacceptably low levels. Those of recent or anecdotal provenance -- e.g., National Assessment of Educational Progress (NAEP) results, reports of personal experience with graduates' performance -- are discouraging. A multitude of social and economic problems depress student performance, but we believe that outcomes could be far better nonetheless. In fact, some individual students, including our own children, do very well. Many more could, but do not because standards, expectations and the quality of instruction are far too low in too many schools.

We urge the Committee to support the public school budget proposed by the District for FY 1994, and to add its endorsement to the Summit Agreement among the Mayor, Council and School System.

Background

Parents United is a nonprofit research and advocacy organiztion founded in 1980 to improve public education in the District of Columbia. It is run entirely by parents of children in the D.C. Public Schools. Its membership includes over 1,500 individual volunteers, as well as parent organizations representing about 130 of the District's 175 local schools.

In addition to organizing and educating parents about the school system and engaging in advocacy on financial and educational issues on behalf of public school parents, we have done research and maintained data on the D.C. Public Schools for the last 13 years. Today's testimony is based both on our research and on our experience and knowledge as public school parents.

FIRE CODE VIOLATIONS IN THE D.C. PUBLIC SCHOOLS

After publicity and legal pressure about Fire Code violations generated by Parents United, the D.C. Fire Department made more inspections, identifying more violations, which were added to previous unabated violations, but subtracted over time as they were corrected. Thousands have now been corrected by the D.C. Public Schools, and the number of new or continuing violations identified has fallen sharply.

	No. concurrently identified	No. already corrected	No. concurrently remaining
January 15, 1991	4,083	616	3,467
October 4, 1991	11,618	4,882	6,736
February 7, 1992	11,664	5,945	5,718
May 12, 1993	2,291	-	2,291

THE SUMMARY PAGE 1/15/91

SCHOOL NAME	NUMBER VIOLATIONS	ABATED VIOLATIONS	OUTSTANDING VIOLATIONS	BUILDING STAFF	SERVICE AREA	SERVICE CONTRACT	ES. DIVISION	JHS. DIVISION	SHS. DIVISION
	4083	616	3467	1276	2767	40	2456	1296	180
AITON ES.	74		74	19	54	1	74		
ANN BEERS	30		30	9	20	1	30		
ARMSTRONG AEC.	39		39	23	16				39
BACKUS ES.	74		74	22	52		74		
BENNING ES.	28	9	19	0	19	1	28		
BIRNEY ES.	155	3	152	31	124		155		
BLOW PIERCE ES.	112		112	42	69	1	112		
BRENT ES.	70		70	36	34		70		
BROOKLAND ES.	55	30	25	18	35	2	55		
BUCHANAN MS.	193	18	175	56	137			193	
BUNKER HILL ES.	52	1	51	20	32		52		
BURROUGHS ES.	32		32	14	8	10	23		
BURVILLE ES.	24		24	8	16		24		
CARVER ES.	24		24	6	17	1	24		
CHAMBERLAIN	55	24	31	23	30	2			55
COOK , J.F. ES.	31	2	29	16	15		31		
D.C.STREET ACADEMY	34		34	17	17				34
DAVIS ES.	45	1	44	6	39		45		
DREW ES.	29		29	2	27		29		
ELIOT JHS.	404	2	402	163	241			404	
EMERY ES.	18		18	2	15	1			
EMERY ES. 1991	42	26	16	14	26	2	42		
GARFIELD ES	37		37	6	31		37		
GIDDINGS ES.	41		41	22	19		41		
GODING ES.	142		142	28	113	1	142		
HARRIS ES.	47		47	4	43		47		
HENDLEY ES.	92	40	52	39	53		92		
HINE JHS.	231	72	159	52	104			231	
HOUSTON ES.	38		38	1	36	1	38		
JEFFERSON JHS.	43	34	9	6	2	1		43	

FIRE CODE VIOLATIONS SUMMARY CORRECTION REPORT

SCHOOL NAME	BLDG	WARD	TYPE	VIOLATIONS	CORRECTED	REMAINING
Weatherless ELEM.	334	7	ES	27	10	17
Webb ELEM.	335	5	ES	64	17	47
West ELEM.	336	4	ES	27	10	17
Wheatly ELEM.	337	5	ES	79	50	29
Whittier ELEM.	338	4	ES	33	19	14
Wilkinson ELEM.	354	8	ES	92	69	23
Wilson J.O.ELEM.	339	2	ES	81	22	59
Winston C.S.	355	7	CS	65	9	56
Woodridge ELEM.	340	5	ES	36	16	20
Woodrow Wilson,S.H.S.	463	7	S.H.S.	32	4	28
Woodson, C.G. J.H.S.	431	7	J.H.S.	93	34	59
Woodson,H.D. S.H.S.	464	7	S.H.S.	160	124	36
Young Elem. School	341	5	ES	25	4	21
	Totals			**11618**	**4882**	**6736**
	Percentages			**100%**	**42%**	**58%**

Environmental Systems Compliance Unit Date: 10/4/91 Time: 12:09:16

FIRE CODE VIOLATIONS SUMMARY CORRECTION REPORT

SCHOOL NAME	BLDG	WARD	TYPE	VIOLATIONS	CORRECTED	REMAINING
Watkins ELEM.	333	6	ES	125	35	90
Weatherless ELEM.	334	7	ES	27	14	13
Webb ELEM.	335	5	ES	64	19	45
Webster Admin. Bldg.	465	2	ADMIN	0	0	0
West ELEM.	336	4	ES	27	16	11
Wheatley ELEM.	337	5	ES	79	57	22
Whittier ELEM.	338	4	ES	33	23	10
Wilkinson ELEM.	354	8	ES	92	77	15
Wilson J.O.ELEM.	339	2	ES	81	34	47
Winston C.S.	355	7	CS	65	34	31
Woodridge ELEM.	340	5	ES	36	16	20
Woodrow Wilson,S.H.S.	463	7	S.H.S.	32	4	28
Woodson, C.G. J.H.S.	431	7	J.H.S.	93	34	59
Woodson,H.D. S.H.S.	464	7	S.H.S.	160	129	31
Young Elem. School	341	5	ES	25	10	15
	Totals			11664	5946	5718
	Percentages			100%	51%	49%

FLS VIOLATIONS SUMMARY REPORT

Building Staff:	Total	Corr.	Remain.
Capacity Card.	0	0	0
Compressed Gas Cylinder not Secured.	0	0	0
Damaged Windows.	0	0	0
Defective Safety Switch.	0	0	0
Exit Signs.	106	0	106
Electrical Hazards - Minor.	24	0	24
Elevator Warning Signs, & No Smoking Signs.	0	0	0
Fire Extinguishers.	27	0	27
Fire Alarm (Placard).	45	0	45
Fire Curtains (Damaged, Missing or needed Repairs).	1	0	1
Fire Drills (Logs and/or Records of Fire Tests).	1	0	1
Fire Doors (Glazing, Hardware and/or Locks - Minor).	151	0	151
Fire Escape Handrails (Broken, Missing or needed Repairs).	0	0	0
Fire Labels and/or Sign.	1	0	1
Insufficient Lighting.	18	0	18
Improper Storage.	47	0	47
Kitchen Filters.	0	0	0
List of Chemical and Quantities for Fire Department.	25	0	25
Obstructions.	0	0	0
Poor House Keeping.	4	0	4
Peeling Paint & Plaster.	1	0	1
Safety Can Missing.	0	0	0
Unapproved Evacuation Plan.	0	0	0
Venting.	1	0	1
Sub Totals	452	0	453
Percent	100%		100%

Maintenance Center:			
Drop Ceilings (Replaced or Repaired).	149	0	149
Defective Gas Stove and/or Appliance.	6	0	6
Emergency Generator (Out of Service).	0	0	0
Electrical Hazards - Major.	103	0	103
Emergency Lights.	6	0	6
Fire Alarm System.	4	0	4
Fire Doors (Glazing, Hardware and/or Locks - Major) (<=5).	301	0	301
Fuel Tank Leaking Oil.	0	0	0
Improper Wall and/or Fire Separation.	0	0	0
Heat & Smoke Detectors.	13	0	13
Standpipe.	0	0	0
Sprinkler System.	4	0	4
Structural Damage.	0	0	0
Venting - Major.	2	0	2
* **Maintenance Response Unit (Breached Wall Areas).**	17	0	17
* **Maintenance Response Unit (Fire Doors)**	28	0	28
Sub Totals	633	0	633
Percent	100%		100%

Capital Construction:			
Fire Suppression System Kitchen (Provide).	40	0	40
Fire Doors (Glazing, Hardware and/or Locks - Major) (>10).	1166	0	1166
Sub Totals	1206	0	1206
Percent	100%		100%

Environmental Date: 5/12/93 Time: 16 51 45

FLS Totals	2291	0	2291
FLS Percent	100%		100%

Teachers and other school-based personnel

released from D.C. Public Schools

Job Category*	Temporary employees not re-appointed	Easy outs	Riffed	Total
Health and Physical Education	8	5	5	18
Home Economics	0	4	4	8
Adult Education	3	0	0	3
Social Studies	11	8	12	31
English	12	12	12	36
Business	13	1	14	28
Art	0	0	0	0
Music	9	6	0	15
Librarians	1	2	0	3
Counselors	9	16	2	27
Psychometrists	0	2	3	5
Reading	3	15	10	28
Transition	1	1	0	2
Trade and Industrial Arts	13	11	0	24
Math	29	6	0	35
General Science	7	13	0	20
Other**	12	35	0	47
Total	131	137	62	330

*- Non-elementary classroom teachers only
**- Includes Visiting Instruction Service, attendance officers, and team leaders

Central administration and other non-classroom personnel
released from D.C. Public Schools

Job category	Temporary employees not re-appointed	Easy outs	Attrition	Riffed	Total
Administrators	71	30	11	46	158
Secretary/Clerical	79	9	26	15	129
Custodial	107	4	2	0	113
Food Service	0	0	0	1	1
Transportation/ Warehouse	8	2	4	6	20
Other	50	21	9	52	132
Total	315	66	52	120	553

Totals for all employees
released from D.C. Public Schools

Temporary employees not re-appointed	Easy outs	Attrition	Riffed	Total
446	203	52	182	883

District of Columbia
Public Schools

School Closings and Consolidations

Recommendations from the Superintendent of Schools to the Board of Education

April 26, 1993

Franklin L. Smith
Superintendent of Schools
Chief State School Officer

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School Closings and Consolidations

The citizens of the District of Columbia expect the school system to operate with efficiency and effectiveness and to provide a quality educational program for the children of this city which will prepare them to live and work in the 21st century. The school system currently faces severe budgetary problems. Some of its schools are underenrolled and in need of major repairs. These considerations, and others, which relate to meeting the educational needs of students, necessitate the closing of some schools. Determining which schools are to be closed is a difficult decision which requires the involvement of many sectors of the city: parents, school system personnel, and the community at large.

Realizing the severity of the budgetary crisis which faces the government of the District of Columbia, the Administration proposed in its 1994 budget that five schools be consolidated/closed. The Board of Education accepted that proposal. Last January, however, at the Education Summit, attended by the Mayor, the City Council Chairperson and members of the City Council, the President of the Board of Education and members of the Board, and the Superintendent of Schools, it became clear that the school system's proposed cuts would not be enough. The efficiency of the school system, which continued to operate schools that were underenrolled, was called into question. Further, given the city's worsening financial condition, the likelihood of the city funding the system's proposed $513 million budget appeared diminished. At that meeting, an agreement was forged which included a commitment on the part of the school system to close a minimum of ten schools. As a result, the number of schools to be consolidated/closed increased, and the timeframe for identifying those schools was greatly accelerated.

Early and significant community involvement would be essential to the school closing process. Community Task Forces were established comprised of elected officials, Local School Restructuring Team members, community leaders, parents and local school representatives, including students. The task forces were charged with the responsibility of preparing written recommendations regarding school consolidation/closing, and ensuring that affected communities participate in the decision-making process.

On February 17, 1993, a list of forty schools to be considered for consolidation/closing was made public. During the next six weeks, the task forces spent countless hours conducting hearings, collecting data, combing records, and exploring possible alternatives to the school included in the list of 40 to ensure that their recommendations would represent the wishes of their constituents. After weeks of deliberations, reports were issued from each ward. Two schools were recommended for closing/consolidation by the task forces: Syphax Elementary School in Ward 2 and Langston Elementary School in Ward 5.

The process did not fail. The value of involving the community and the parents in a dialogue around issues critical to the future of the public school system cannot be underestimated. Out of those deliberations, many solid and thoughtful recommendations were received from the community, many of which were accepted by the Administration and which have been incorporated in this report. Thus, although the task forces failed to identify ten schools for closure, the reports provided the Administration with an impressive list of recommendations and considerations that have enhanced this decision-making process. Each of the recommendations is discussed with the Administration's response in the Appendices.

During the time when task force meetings were being held, the accounting firm of Coopers and Lybrand was contacted to conduct an audit of schools under consideration for consolidation/closing. It was important to obtain an outside verification of the condition of the

Schools Recommended for Closing

buildings under consideration and the reliability of the data being used. The results of that audit have also contributed to the school consolidation/closing process.

Using these reports and adhering carefully to the rules of the Board of Education, the Administration makes the following recommendations:

(1) that eleven schools be closed by June 30, 1993;

(2) that five schools be closed in June 1993 and reopened in September 1993 as restructured schools, which meet the growing academic and social needs of our young people; and,

(3) that one school be closed in June 1994 and reopened in September 1994 as a restructured school, to meet academic needs at the senior high school level.

It is recommended that further review be undertaken to determine the disposition of these buildings.

Chart 1

The following schools, listed by ward, are recommended to be closed by June 30, 1993:

Ward	School
1	Cleveland Elementary School
2	Syphax Elementary School
4	Rabaut Junior High School
5	Langston Elementary School Slater Elementary School M.M. Washington Career High School
6	Buchanan Learning Center Goding Elementary School Kingsman Elementary School
7	Weatherless Elementary School C.G. Woodson Junior High School

Factors Used to Determine School Closings

In determining which schools would be closed, a set of factors was considered, relying upon the criteria set forth in Chapter 36 of the Board of Education ***Rules***, "Closing Public School Buildings," 5 DCMR, Section 3602.2. These factors are:

- Age of building, including average age of classrooms
- Condition of facility and repairs needed
- Capital improvements needed for renovation and modernization
- Maintenance, utility, and physical operation costs, including cost per student
- Required health and safety measures
- Building location, student residential patterns, and potential new housing
- Enrollment trends, actual and projected
- Auxiliary facilities
- Student population related to capacity
- Role of facility in the school system
- Role of the facility in the community
- Effectiveness of the facility to house the students, programs, and services
- Availability of space in other facilities to house the students, programs, and services, including the relative condition of the facilities
- Articulation with other schools
- Alternative educational and non-educational uses.

A school-by-school analysis using these factors is provided in the Addendum to this report, under the heading School Closing and Justification Points. It is important to note that while several factors contributed to the decision to recommend the schools listed above, under-enrollment was a factor that each shared. *(See Graph 1.)* Except for Slater School, which currently houses no D.C. Public School students, each identified school is less than 60 percent occupied.

No schools are recommended for closing/consolidation in Wards 3 and 8. All schools in Ward 3 are operating at full or near full capacity. Two junior high schools were under consideration for closing/consolidation in Ward 8; however, there is a very real concern that the school system is not meeting the needs of many of the youngsters in Ward 8. After careful study, the recommendation is made that Douglass be reopened in the fall as an alternative school in order to better serve the needs of these students.

Three schools slated for closing were not on the original list of forty schools presented to the task forces for consideration. That list was a starting point for deliberations, and the task forces were invited to consider alternative sites, as well. Buchanan Secondary Learning Center has been included on the list of schools to be closed in order to locate it at a site which will offer these young people more opportunities for linking learning with earning. Placing these students at a career center will better ensure that their needs will be more fully met. Cleveland Elementary School is on the list primarily because of the age of the facility and the student population related to capacity. Its programs will be integrated into neighboring elementary schools. M.M. Washington students will be better served at the career sites which offer specialized training in the three vocational areas: culinary arts, dental, and nursing.

Enhanced Educational Opportunities

Section 3605.2 of the Board *Rules* provides that public school buildings that are vacant, underutilized, or incapable of being efficiently and effectively operated may be phased out or closed by the Board of Education upon the written recommendation of the Superintendent. Audits and feasibility studies indicate that, with the exception of Slater Elementary School which has no D.C. Public Schools educational programs or students in it, the student populations at these schools recommended to be closed will be better served by higher quality educational programs in improved facilities in consolidated locations.

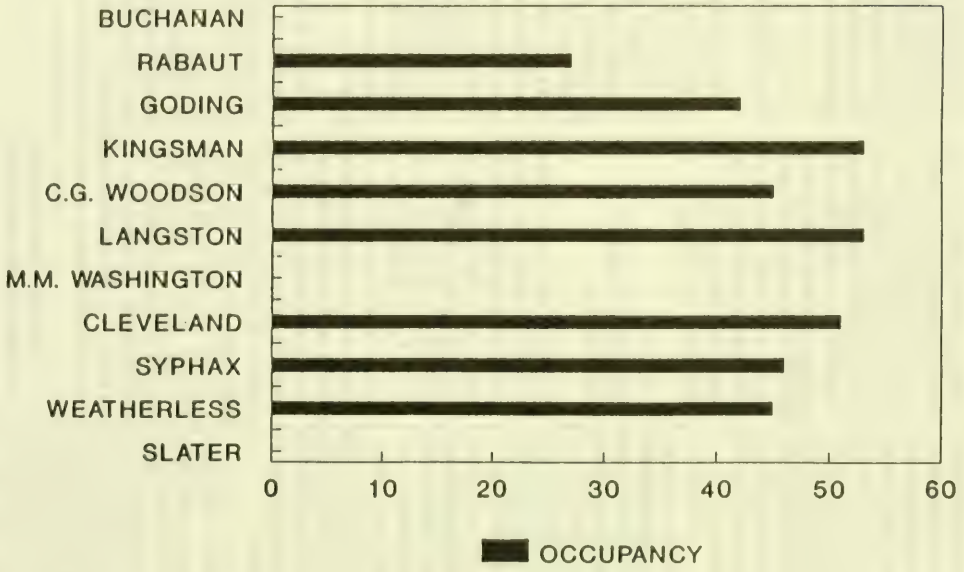
Closing these eleven school buildings and consolidating their populations into other schools will result in the consolidated schools being more effectively utilized, efficiently operated, and able to provide a larger array of quality instructional programs to their student clientele. Outstanding educational programs that have proved to be effective in the schools to be closed will be replicated in the newly consolidated schools. In addition, as discussed more fully below, the school system will target the consolidated schools for additional resources.

Financial Impact of Closings

The financial impact of closing schools can be divided into two broad categories — operating costs and personnel costs. Operating costs, utilities and maintenance only, average $75,650 and $34,000 respectively for the recommended schools (with a high of $150,000 for utilities and $53,000 for maintenance). These represent actual savings which can be redirected to fund educational programs and operations in consolidated schools. *(See Graphs 2 and 3.)*

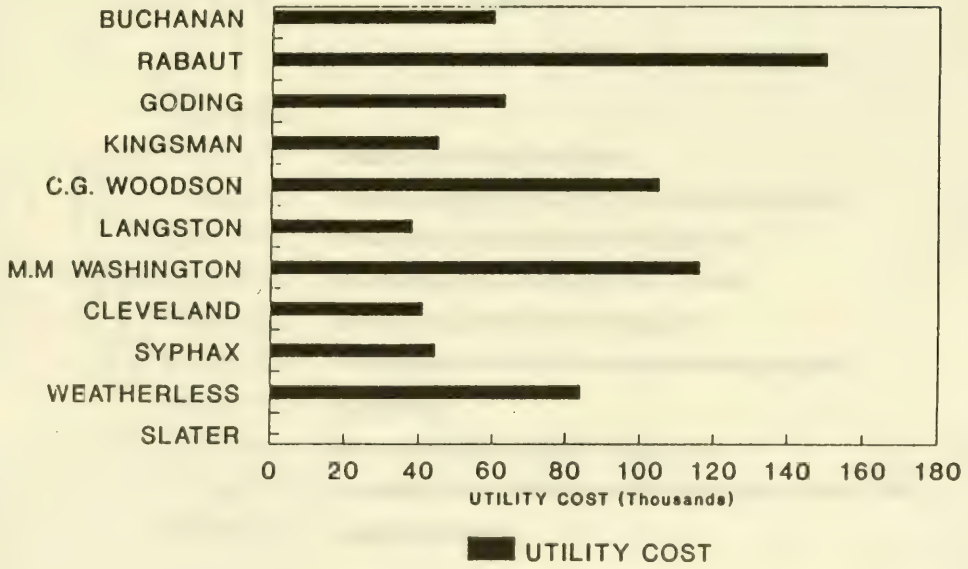
While there will be some savings from personnel costs, including administrators, instructional, and clerical staff, these cannot be definitely determined until personnel assignments to consolidated schools have been completed. It is anticipated that savings will be recognized in all three personnel categories.

SCHOOLS RECOMMENDED FOR CLOSING
RATE OF OCCUPANCY

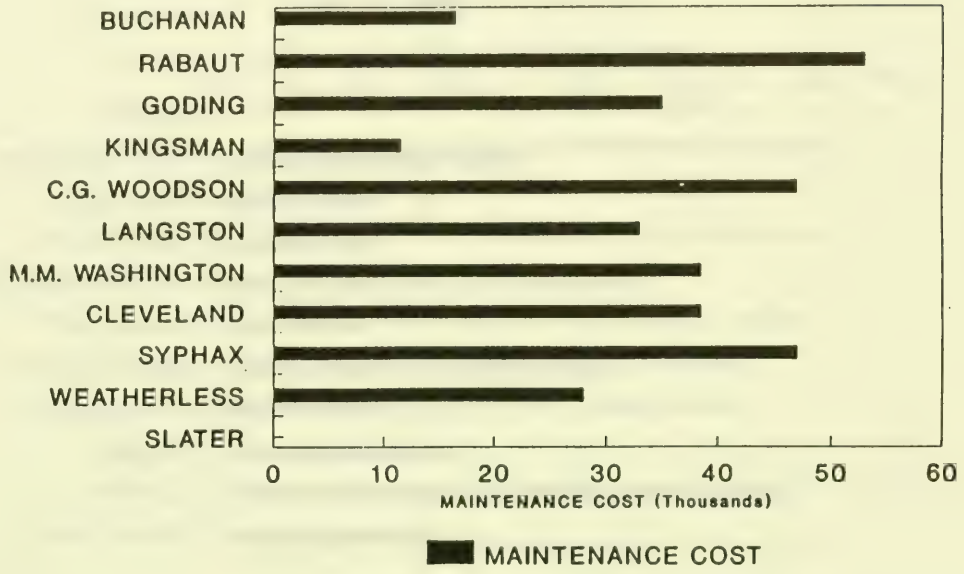


PERCENTAGE

SCHOOLS RECOMMENDED FOR CLOSING
UTILITY COST



SCHOOLS RECOMMENDED FOR CLOSING
MAINTENANCE COST



Consolidated Schools

Schools Receiving Students, Staff, and Programs

Closing school buildings will necessitate the consolidation of affected students, staffs, and programs with neighboring schools. Careful consideration has been given to the following factors in identifying the receiving schools: capacity of the facility, current enrollment, demographics, proximity to closed school, as well as safety and ease of travel. In some cases it was determined that all students, staff, and programs could be consolidated into one neighboring school; in others, two schools were identified as appropriate options for students and their parents.

Parents and guardians will be given the opportunity to request placement at schools outside the boundary on a space availability basis. For the purposes of school consolidation, students currently enrolled in an affected school will be treated as "in boundary" students.

Listed above are the schools recommended for closure and those recommended to receive the students, staff and programs —henceforth referred to as "consolidated schools."

Chart 2

Schools Recommended for Closing	Primary Receiving Schools (Consolidated Schools)
Ward I	
Cleveland ES	Gage–Eckington ES
	Lewis ES
	Meyer ES
Ward II	
Syphax ES	Amidon ES
	Bowen ES
Ward IV	
Rabaut JHS	Backus JHS
Ward V	
Langston ES	J. F. Cook ES
Slater School	N/A
M.M. Washington CSHS	Eastern/Eliot Complex
	Roosevelt/Macfarland Complex
Ward VI	
Buchanan LC	Phelps Educational Center
Goding ES	Ludlow-Taylor ES
	Miner ES
Kingsman ES	Miner ES
Ward VII	
Weatherless ES	Plummer ES
C.G. Woodson JHS	Miller JHS
	Roper JHS

Enhanced Educational Programs

In keeping with the school system's mission to deliver the best possible education for all students by offering a sound instructional program with many options, special consideration will be given to students who will be enrolled in newly-consolidated schools. The consolidation of these schools offers an opportunity to redirect resources to students affected by these decisions in a cost–effective and efficient manner.

D.C. Public Schools is committed to improving the quality of education for all of its students. School consolidation offers an opportunity to ensure that students attending "consolidated" schools receive the necessary resources (fiscal, human, and material) to meet their needs and challenge them intellectually. The provision of improved instructional and developmental services will ease the transition for students and their families and significantly contribute to the full development of each

child. Consolidated schools will receive priority funding, staffing, and physical improvements.

All consolidated schools will have the following programs in place in September 1993:

- Expanded hands-on mathematics and science programs
- Foreign language, music, and art programs
- Before– and after–school programs
- Health and physical education programs

The appropriate administrative offices have been directed to work on creating attractive and nurturing learning environments.

Working together with parents, staffs, and community members of the affected schools via their Local School Restructuring Teams, appropriate programs and services will be continued, enhanced, and/or added to meet the students' identified needs.

In addition to the program enhancements, the seven consolidated elementary schools will be redesigned and reorganized as thematic schools organized around specific themes such as:

Fine Arts. Emphasis on the content areas through music, performing and visual arts, architecture, and dance.

Math/Science. Emphasis on math/science/technology with hands-on materials problem–solving experiences with real life applications.

Environmental Science. Emphasis on environmental interdisciplinary thesis in science, language arts, fine arts, social studies, mathematics, and technology.

Montessori. Emphasis on theories and practices of Maria Montessori stressing a global view and the interrelatedness of all living things.

Language Immersion. Emphasis on a second language instruction and cultural appreciation in core subject areas.

Continuous Progress. Emphasis on a whole language approach using fluid and flexible groupings that address children's developmental needs through team teaching approach.

Global Arts and Communication. Emphasis on global themes which enhance multi–cultural understanding utilizing a communications curriculum including computer, audio, video, and parent products.

Restructured Schools

In addition to maximizing benefits to consolidatedschools, the Administration proposes to restructure six schools over the next two school years. The word ***restructure*** is used here because it means to change the make up, organization, or pattern of an entity. These schools will be closed and reopened as specialized schools, with a particular curriculum focus. (One school will be reopened as an alternative middle school designed to meet the needs of reluctant learners.) This will entail a redirection of all of the resources in the restructured school and a reorganization, where necessary, of administrative, teaching, and support staff. The chart below indicates which schools will be affected by this restructuring process, what their new organization or pattern will be, and when they will be closed and reopened.

These restructured schools will address the school system's need to establish additional middle schools. Research indicates that schools which embrace the **middle school concept** are preferable to the traditional junior high schools. The middle school concept focuses upon the creation of a learning environment which ensures that students will have the ability to think analytically and critically. The development of creative communities and team skills, commitment to ethnic tolerance and positive self–esteem in a diverse multicultural society, and the acceptance of personal, ethical, and moral responsibilities are key components of this concept.

Many of the recommendations for restructured schools come from the school consolidation task force reports from each of the wards. In the Appendices, the document entitled ***The Superintendent Responds to the Recommendations of the Task Forces, SY 1992-93*** lists the major programmatic recommendations of each task force, the action proposed by the Superintendent, and timelines for implementation. For example, the recommendation that a Charter World Class School, a school-within-a-school, be created at Cardozo Senior High School, has been accepted.

Chart 3

School	Date to be Closed	Restructure	Date to be Reopened
Backus JHS	6/30/93	Mathematics/Science/ Technology Middle School	9/93
Coolidge SHS	6/30/94	Mathematics/Science/ Technology High School	9/94
Douglass JHS	6/30/93	Alternative Middle School	9/93
Lincoln JHS	6/30/93	Bilingual Middle School	9/93
Phelps SHS	6/30/93	Spingarn/Phelps Educational Center	9/93
Roper JHS	6/30/93	Mathematics/Science Technology Middle School	9/93

Implementation of Recommendations

An Administration task force has been established to implement school closing/consolidation. The groundwork necessary to facilitate these recommended changes has already begun. For example, proposed changes in school boundaries have been drawn.(See Appendices for school-by-school profiles which include proposed boundary changes.) Procedures for handling student records have been identified; inventories of supplies, textbooks, and equipment have been made; needed facility repairs have been determined. Planning will continue with implementation to begin upon the Board of Education's final vote on schools to be consolidated/closed.

Chart 4
Proposed Implementation Timeline

Deadline	Activity
June 14, 1993	Final vote by Board of Education on Schools to be consolidated/closed
June 15-30, 1993	Reassignment of staff and students from closed and consolidated schools
July-August 1993	Meetings with affected school communities Team-building activities with affected school staffs Building/facility repairs and renovations Transfer of equipment, furniture, supplies to consolidated schools
August 23-27, 1993	Orientation for students at consolidated building
October 1993-June 1994	Ongoing professional development activities for school staffs

The proposed timeline for implementation is outlined above.

Immediate Next Steps

As soon as the Board of Education votes on the schools to be consolidated/closed, the Administration will implement the following actions:

- Hold a series of meetings conducted by the Office of Educational Programs and Operations with members of the total school community of the affected schools (parents, teachers, support staff, and students) designed to address concerns and alleviate fears;
- Assign staff and students to newly-consolidated schools;
- Conduct a series of team-building activities led by professional development specialists from the Center for Educational Change, designed to ensure that each newly-formed school staff bonds and begins to function as a single unit in the development of a healthy school climate that is conducive to the teaching/learning process;
- Design and implement a professional development training program for affected schools to be implemented during the school year, designed to build capacities among the teaching staff;
- Transfer furniture, equipment, and materials at all affected schools;
- Design orientation procedures for students and parents assigned to consolidated schools; and,
- Review routes and methods of commuting to and from schools based upon newly-drawn boundaries to ensure safety and security of students.

Conclusion

Closing schools is not a popular undertaking; it is a sensitive issue, charged with emotion. But, it can be done successfully with the involvement of concerned parents, active community members, and dedicated staff. As Superintendent of Schools, it was my responsibility to make a recommendation to the Board of Education concerning which schools will be closed and consolidated. These recommendations, which reflect the priorities of the community, are educationally sound and will expand learning opportunities for students.

APPENDICES

APPENDIX A.

District of Columbia Public Schools

The Superintendent's Report to the Board of Education
Recommended Schools for Consolidation/Closure

April 26, 1993

Ward	Name of School(s) Recommended Consolidated Schools	Board Member(s)	Cluster	Consolidated Schools **
1	Cleveland ES *	Wilma Harvey	V	Gage-Eckington ES, Lewis ES, Meyer ES *
2	Syphax ES	David Hall	II	Amidon ES, Bowen ES
3	N/A	Erika Landberg	N/A	N/A
4	Rabaut JHS	Sandra Butler-Truesdale	VI	Backus JHS
5	Langston ES	Angie Corley	IV	J.F. Cook ES
5	Slater	Angie Corley	IV	N/A
5	M. M. Washington	Angie Corley	III	Eastern/Eliot Complex (Health Careers) Roosevelt/MacFarland Complex (Culinary Arts)
6	Buchanan Learning Center	Bernard Gray	IV	Phelps Educational Center
6	Goding ES	Bernard Gray	IV	Miner ES, Ludlow-Taylor ES
6	Kingsman ES	Bernard Gray	III	Miner ES
7	Weatherless ES	Nate Bush	III	Plummer ES
7	C.G. Woodson JHS	Nate Bush	III	Miller JHS, Roper JHS
8	N/A	Linda Moody	N/A	N/A

* Project DAISY to Meyer
** Based on proposed boundaries

Franklin L. Smith
Superintendent of Schools
Chief State School Officer

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APPENDIX B.

District of Columbia Public Schools
THE SUPERINTENDENT'S REPORT TO THE BOARD OF EDUCATION

RESTRUCTURED SCHOOLS

Name of School	Board Member	Ward	Cluster	Future Plans	School Year
Lincoln JHS	Wilma R. Harvey	I	V	Bilingual Middle School	1993-1994
Coolidge SHS	Sandra Butler-Truesdale	IV	VI	Mathematics/Science/Technology High School	1994-1995
Backus JHS	Angie K. Corley	V	VI	Mathematics/Science/Technology Middle School	1993-1994
Roper JHS	Nate Bush	VII	III	Mathematics/Science/Technology Middle School	1993-1994
Douglass JHS	Linda Moody	VIII	I	Alternative Middle School	1993-1994
Phelps	Angie Corley	V	III	Spingarn/Phelps Educational Center - Housing the Buchanan Program	1993-1994

Franklin L. Smith
Superintendent of Schools
Chief State School Officer

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JUSTIFICATIONS FOR SCHOOL CLOSINGS

APPENDIX C.2

Schools Recommended for Closing

Name of School Recommended for Closing	Justification
Cleveland Elementary Ward I	— Age of building X Condition of the facility and the repairs needed X Capital improvements needed for renovation and modernization X Maintenance, utility, and physical costs, including cost per student X Required health and safety measures — Building location, student residential patterns, and potential new housing X Enrollment trends, actual and projected — Auxiliary facilities X Student population related to capacity — Role of the facility in the school system — Role of the facility in the community X Effectiveness of the facility to house educational programs or other services — Availability of space in other facilities to house the students, programs and services including the relative condition of the facilities — Articulation with other schools — Alternative educational and non-educational uses.

Source: District of Columbia Municipal Regulations, Chapter 36

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APPENDIX C.3

Schools Recommended for Closing

Name of School Recommended for Closing	Justification
Syphax Elementary **Ward 2**	X Age of building X Condition of the facility and the repairs needed X Capital improvements needed for renovation and modernization X Maintenance, utility, and physical costs, including cost per student X Required health and safety measures — Building location, student residential patterns, and potential new housing X Enrollment trends, actual and projected — Auxiliary facilities X Student population related to capacity — Role of the facility in the school system — Role of the facility in the community X Effectiveness of the facility to house educational programs or other services — Availability of space in other facilities to house the students, programs and services including the relative condition of the facilities — Articulation with other schools — Alternative educational and non-educational uses.

Source: District of Columbia Municipal Regulations, Chapter 36

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APPENDIX C.4

Schools Recommended for Closing

Name of School Recommended for Closing	Justification
Rabaut Junior High Ward 4	— Age of building — Condition of the facility and the repairs needed X Capital improvements needed for renovation and modernization X Maintenance, utility, and physical costs, including cost per student X Required health and safety measures — Building location, student residential patterns, and potential new housing X Enrollment trends, actual and projected — Auxiliary facilities X Student population related to capacity — Role of the facility in the school system — Role of the facility in the community — Effectiveness of the facility to house educational programs or other services — Availability of space in other facilities to house the students, programs and services including the relative condition of the facilities — Articulation with other schools — Alternative educational and non-educational uses.

Source: District of Columbia Municipal Regulations, Chapter 36

APPENDIX C.5

Schools Recommended for Closing

Name of School Recommended for Closing	Justification
Langston Elementary **Ward 5**	X Age of building X Condition of the facility and the repairs needed X Capital improvements needed for renovation and modernization — Maintenance, utility, and physical costs, including cost per student X Required health and safety measures — Building location, student residential patterns, and potential new housing X Enrollment trends, actual and projected — Auxiliary facilities X Student population related to capacity — Role of the facility in the school system — Role of the facility in the community X Effectiveness of the facility to house educational programs or other services — Availability of space in other facilities to house the students, programs and services including the relative condition of the facilities — Articulation with other schools — Alternative educational and non-educational uses.

Source: District of Columbia Municipal Regulations, Chapter 36

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APPENDIX C.6

Schools Recommended for Closing

Name of School Recommended for Closing	Justification
Slater Elementary Ward 5	X Age of building X Condition of the facility and the repairs needed X Capital improvements needed for renovation and modernization — Maintenance, utility, and physical costs, including cost per student X Required health and safety measures — Building location, student residential patterns, and potential new housing X Enrollment trends, actual and projected — Auxiliary facilities X Student population related to capacity — Role of the facility in the school system — Role of the facility in the community X Effectiveness of the facility to house educational programs or other services — Availability of space in other facilities to house the students, programs and services including the relative condition of the facilities — Articulation with other schools — Alternative educational and non-educational uses.

Source: District of Columbia Municipal Regulations, Chapter 36

APPENDIX C.7

Schools Recommended for Closing

Name of School Recommended for Closing	Justification
M.M. Washington Ward 5	— Age of building X Condition of the facility and the repairs needed X Capital improvements needed for renovation and modernization — Maintenance, utility, and physical costs, including cost per student X Required health and safety measures — Building location, student residential patterns, and potential new housing X Enrollment trends, actual and projected — Auxiliary facilities — Student population related to capacity — Role of the facility in the school system — Role of the facility in the community — Effectiveness of the facility to house educational programs or other services — Availability of space in other facilities to house the students, programs and services including the relative condition of the facilities — Articulation with other schools — Alternative educational and non-educational uses.

Source: District of Columbia Municipal Regulations, Chapter 36

APPENDIX C.8

Schools Recommended for Closing

Name of School Recommended for Closing	Justification
Buchanan Learning Center **Ward 6**	X Age of building X Condition of the facility and the repairs needed X Capital improvements needed for renovation and modernization — Maintenance, utility, and physical costs, including cost per student X Required health and safety measures — Building location, student residential patterns, and potential new housing X Enrollment trends, actual and projected — Auxiliary facilities — Student population related to capacity — Role of the facility in the school system — Role of the facility in the community — Effectiveness of the facility to house educational programs or other services — Availability of space in other facilities to house the students, programs and services including the relative condition of the facilities — Articulation with other schools — Alternative educational and non-educational uses.

Source: District of Columbia Municipal Regulations, Chapter 36

Schools Recommended for Closing

Name of School Recommended for Closing	Justification
Goding Elementary Ward 6	— Age of building — Condition of the facility and the repairs needed X Capital improvements needed for renovation and modernization X Maintenance, utility, and physical costs, including cost per student X Required health and safety measures — Building location, student residential patterns, and potential new housing X Enrollment trends, actual and projected — Auxiliary facilities X Student population related to capacity — Role of the facility in the school system — Role of the facility in the community — Effectiveness of the facility to house educational programs or other services — Availability of space in other facilities to house the students, programs and services including the relative condition of the facilities — Articulation with other schools — Alternative educational and non-educational uses.

Source: District of Columbia Municipal Regulations, Chapter 36

APPENDIX C.10

Schools Recommended for Closing

Name of School Recommended for Closing	Justification
Kingsman Elementary Ward 6	X Age of building — Condition of the facility and the repairs needed X Capital improvements needed for renovation and modernization — Maintenance, utility, and physical costs, including cost per student X Required health and safety measures — Building location, student residential patterns, and potential new housing X Enrollment trends, actual and projected — Auxiliary facilities X Student population related to capacity — Role of the facility in the school system — Role of the facility in the community — Effectiveness of the facility to house educational programs or other services — Availability of space in other facilities to house the students, programs and services including the relative condition of the facilities — Articulation with other schools — Alternative educational and non-educational uses.

Source: District of Columbia Municipal Regulations, Chapter 36

APPENDIX C.11

Schools Recommended for Closing

Name of School Recommended for Closing	Justification
Weatherless Elementary **Ward 7**	— Age of building — Condition of the facility and the repairs needed X Capital improvements needed for renovation and modernization X Maintenance, utility, and physical costs, including cost per student X Required health and safety measures X Building location, student residential patterns, and potential new housing X Enrollment trends, actual and projected — Auxiliary facilities X Student population related to capacity — Role of the facility in the school system — Role of the facility in the community — Effectiveness of the facility to house educational programs or other services — Availability of space in other facilities to house the students, programs and services including the relative condition of the facilities — Articulation with other schools — Alternative educational and non-educational uses.

Source: District of Columbia Municipal Regulations, Chapter 36

APPENDIX C.12

Schools Recommended for Closing

Name of School Recommended for Closing	Justification
C.G. Woodson Junior High Ward 7	— Age of building X Condition of the facility and the repairs needed X Capital improvements needed for renovation and modernization — Maintenance, utility, and physical costs, including cost per student X Required health and safety measures X Building location, student residential patterns, and potential new housing X Enrollment trends, actual and projected — Auxiliary facilities X Student population related to capacity — Role of the facility in the school system — Role of the facility in the community — Effectiveness of the facility to house educational programs or other services — Availability of space in other facilities to house the students, programs and services including the relative condition of the facilities — Articulation with other schools — Alternative educational and non-educational uses.

Source: District of Columbia Municipal Regulations, Chapter 36

IMPROVING EDUCATION THROUGH SCHOOL CONSOLIDATION

APPENDIX D.2

District of Columbia Public Schools

IMPROVING EDUCATION THROUGH SCHOOL CONSOLIDATION

WARD	SCHOOL(S) TO BE CLOSED	OCTOBER 15, 1992 MEMBERSHIP*	CONSOLI-DATED SCHOOLS	OCTOBER 15, 1992 MEMBERSHIP*	PROJECTED NUMBER OF STUDENTS TO BE ASSIGNED	NEW PROJECTED MEMBERSHIP	CURRENT INSTRUCTIONAL STAFFING	PROJECTED INSTRUCTIONAL STAFFING AFTER CONSOLIDATION	PROGRAM ENHANCEMENT
I	Cleveland ES	86	Oage-Eckington	332	136	468	23.6	30.6	• Approximately 7 additional teachers depending on the number of students per grade level. -Foreign Language Programs -Full-time Counselor -Full-time Data Entry Clerk -Full-time Physical Education/Music • Implement early and later childhood concept • Before and After School
			Lewis ES	285	50	335	17.2	19.7	• Approximately 2.5 additional teachers depending on the number of students per grade level. -Foreign Language Programs -Full-time Counselor -Full-time Data Entry Clerk -Full-time Physical Education/Music • Implement early and later childhood concept • Before and After School
II	Syphax ES	248	Amidon ES	423	60	483	24.0	27.0	• Approximately 3 additional teachers depending on the number of students per grade level. -Foreign Language Programs -Full-time Counselor -Full-time Data Entry Clerk -Full-time Physical Education/Music -Mathematics/Science Magnet Program
			Bowen ES	312	208	520	20.0	30.4	-Technology/Computer Labs -Before and After Care Tutorial Program • Approximately 10.4 additional teachers depending on the number of students per grade level. -Foreign Language Programs -Full-time Counselor -Full-time Data Entry Clerk -Full-time Physical Education/Music -Chapter 1 -Partnership Programs -U.S. Navy Command -U.S. Coast Guard - Before and After Care Tutorial Program

*Source: Student Membership In Regular Elementary and Secondary Day Schools by School, Grade, Sex and Race

APPENDIX D.3

District of Columbia Public Schools

IMPROVING EDUCATION THROUGH SCHOOL CONSOLIDATION

WARD	SCHOOL(S) TO BE CLOSED	OCTOBER 15, 1992 MEMBERSHIP*	CONSOLI-DATED SCHOOLS	OCTOBER 15, 1992 MEMBERSHIP*	PROJECTED NUMBER OF STUDENTS TO BE ASSIGNED	NEW PROJECTED MEMBERSHIP	CURRENT INSTRUCTIONAL STAFFING	PROJECTED INSTRUCTIONAL STAFFING AFTER CONSOLIDATION	PROGRAM ENHANCEMENT
III	N/A	N.A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
IV	Rabaut JHS	3-12	Backus JHS	283	342	625	23.0	36.6	• Approximately 13.6 additional teachers depending on the number of students per grade level. -Mathematics/Science Technology Middle School
V	Langston ES	102	J.F. Cook ES	229	102	331	18.9	26.4	• Approximately 7.5 additional teachers depending on the number of students per grade level. -Foreign Language Programs -Full-time Counselor -Full-time Data Entry Clerk -Full-time Physical Education/Music -Science Labs -Success Understanding Mathematics Program -Junior Great Books -Chapter 1 Schoolwide Project -Computer Labs -Partnerships National Coalition of 100 Black Women -ESL -Gifted and Talented Program -Cultural Enrichment
	Slater ES	N/A	N/A	N/A	N/A	N/A	N/A	N/A	

*Source: Student Membership in Regular Elementary and Secondary Day Schools by School, Grade, Sex and Race
October 15, 1992

APPENDIX D.4

District of Columbia Public Schools

IMPROVING EDUCATION THROUGH SCHOOL CONSOLIDATION

WARD	SCHOOL(S) TO BE CLOSED	OCTOBER 15, 1992 MEMBERSHIP*	CONSOLIDATED SCHOOLS	OCTOBER 15, 1992 MEMBERSHIP*	PROJECTED NUMBER OF STUDENTS TO BE ASSIGNED	NEW PROJECTED MEMBERSHIP	CURRENT INSTRUCTIONAL STAFFING	PROJECTED INSTRUCTIONAL STAFFING AFTER CONSOLIDATION	PROGRAM ENHANCEMENT
V	MM Washington SHS	166	Eastern SHS/ Eliot JHS Roosevelt MacFarland Complex	2,066	166	2,232	118	127	• Approximately nine (9) additional teachers depending on the number of students per grade level/ subject area. -Health and Human Services Academy -Humanities -Fine Arts Program -Gifted and Talented Program -Pre-Law Program -Shared Time Program -Cooperative Office Education Program -Interdisciplinary Cooperative Education Program -Military Science/JROTC • Outlines program - Culinary Arts
V	Buchanan	100	Spingarn/Phelps Educational Center	531	100	631	33.0	38.0	• Approximately 5 additional teachers depending on the number of students per grade level.
V	Gooding ES	277	Miner ES	327	37	357	21.0	23.0	• Approximately 2 additional teachers depending on the number of students per grade level. -Foreign Language Programs -Full-time Counselor -Full-time Data Entry Clerk -Full-time Physical Education/Music -Chapter 1 -Just Say YES -Gifted and Talented Program -Teach for America -Higher Achievement Program (HAP) -Citywide Hearing -Corner -I Can Read -Service Delivery Model for Special Education -Impact 2000 School Climate Pilot -Foreign Language Embassy Adoption -Literary Arts Program -Family Counseling Center -Conrail-Railroad -Smithsonian Institution Resident Association Program

*Source: Student Membership in Regular Elementary and Secondary Day Schools by School, Grade, Sex and Race

APPENDIX D.5

District of Columbia Public Schools

IMPROVING EDUCATION THROUGH SCHOOL CONSOLIDATION

WARD	SCHOOL(S) TO BE CLOSED	OCTOBER 15, 1992 MEMBERSHIP*	CONSOLI-DATED SCHOOLS	OCTOBER 15, 1992 MEMBERSHIP*	PROJECTED NUMBER OF STUDENTS TO BE ASSIGNED	NEW PROJECTED MEMBERSHIP	CURRENT INSTRUCTIONAL STAFFING	PROJECTED INSTRUCTIONAL STAFFING AFTER CONSOLIDATION	PROGRAM ENHANCEMENT
VI	Goding ES	277	Ludlow-Taylor	340	240	580	22.0	34.0	• Approximately 12 additional teachers depending on the number of students per grade level. -Full-time Counselor -Full-time Data Entry Clerk -Full-time Physical Education/Music -Chapter 1 -Computer Labs -Math/Science -Gifted and Talented Program -Before and After Care Program -Foreign Language
VI	Kingsman ES	264	Miner ES	327	264	591	21.0	34.0	• Approximately 13 additional teachers depending on the number of students per grade level. -Foreign Language Programs -Full-time Counselor -Full-time Data Entry Clerk -Full-time Physical Education/Music -Chapter 1 -Just Say YES -Gifted and Talented Program -Teach for America -Higher Achievement Program (HAP) -Citywide Hearing -Corner -I Can Read -Service Delivery Model for Special Education -Impact 2000 School Climate Pilot -Foreign Language Embassy Adoption -Literary Arts Program -Family Counseling Center -Consail-Railroad -Smithsonian Institution Resident Association Program

*Source: Student Membership In Regular Elementary and Secondary Day Schools by School, Grade, Sex and Race October 15, 1992

APPENDIX D.6

District of Columbia Public Schools

IMPROVING EDUCATION THROUGH SCHOOL CONSOLIDATION

WARD	SCHOOL(S) TO BE CLOSED	OCTOBER 15, 1992 MEMBERSHIP*	CONSOLI-DATED SCHOOLS	OCTOBER 15, 1992 MEMBERSHIP*	PROJECTED NUMBER OF STUDENTS TO BE ASSIGNED	NEW PROJECTED MEMBERSHIP	CURRENT INSTRUCTIONAL STAFFING	PROJECTED INSTRUCTIONAL STAFFING AFTER CONSOLIDATION	PROGRAM ENHANCEMENT
VII	Weatherless ES	163	Plummer ES	314	363	677	20.0	38.0	• Approximately 18 additional teachers depending on the number of students per grade level. -Foreign Language Programs -Full-time Counselor -Full-time Data Entry Clerk -Full-time Physical Education/Music -Schoolwide Chapter 1 -Embassy Adoption Program -Gifted and Talented Program -Comprehensive Guidance Program -ESL -Hands-On Science/Math -Partners in Education Defense Mapping Agency McDonald's Navy Tutoring Foreign Language Computer Technology

*Source: Student Membership in Regular Elementary and Secondary Day Schools by School, Grade, Sex and Race October 15, 1992

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APPENDIX D.7

District of Columbia Public Schools

IMPROVING EDUCATION THROUGH SCHOOL CONSOLIDATION

WARD	SCHOOL(S) TO BE CLOSED	OCTOBER 15, 1992 MEMBERSHIP*	CONSOLIDATED SCHOOLS	OCTOBER 15, 1992 MEMBERSHIP*	PROJECTED NUMBER OF STUDENTS TO BE ASSIGNED	NEW PROJECTED MEMBERSHIP	CURRENT INSTRUCTIONAL STAFFING	PROJECTED INSTRUCTIONAL STAFFING AFTER CONSOLIDATION	PROGRAM ENHANCEMENT
VII	C.O. Woodson JHS	412	Miller JHS	411	150	561	31.0	37.0	• Approximately 6 additional teachers depending on the number of students per grade level/subject area. -Gifted and Talented Program -Peer Mediation -Foreign Language -Mathematics/Science Technology -Intramural Sports -Drama Club -Choral Music -Band/String Ensemble -Channel 1 Whittle -Graphic Lab -Media Lab
			Roper JHS	399	292	691	26.0	37.6	• Approximately 11.6 additional teachers depending on the number of students per grade level/subject area. -Performance-Based Clustering -Chapter 1 -AETNA Saturday Academy -SAOE -Young Astronauts -Academy of Communications and Technology -Granville Academy -Tri-School Roper Performing Arts Center

*Source: Student Membership in Regular Elementary and Secondary Day Schools by School, Grade, Sex and Race
October 15, 1992

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COST ANALYSIS

APPENDIX E.

SCHOOL	WARD	YEAR BUILT	STAFFING COST			OTPS COST		OPERATING COST		
			Administration	Instructional LT-15 / EG-09	Support Services	Appropriated	Non-Appropriated	Utilities	Maintenance Repair	Custodial Supplies
Cleveland ES	1	1912	59,372	1,040,539	310,803	43,051		40,990	30,808	4,203
Syphax ES	2	1901	61,747	784,450	412,724	42,551		44,563	39,075	4,658
Rabaut JHS	4	1967	114,521	1,272,720	537,445	70,867		150,210	30,439	11,775
Langston ES	5	1902	56,207	201,565	111,778	41,758		37,902	23,645	3,477
Slater ES	5	1890								
M.M. Washington	5	1912	105,936	1,467,080	479,269	72,144	35,000	115,783	23,537	9,513
Phelps CDC	5	1934	115,045	2,220,920	394,035	76,063	60,198	38,866	125,597	8,157
Buchanan CDC	6	1895	99,414	963,079	312,872	40,909		59,293	3,751	8,531
Goding ES	6	1959	53,522	793,535	427,314	43,551	57,818	62,569	24,550	6,539
Kingsman ES	6	1922	60,569	901,084	301,030	43,051		45,217	2,198	4,931
Weatherless ES	7	1970	62,967	1,193,178	527,088	43,008	2,000	83,936	10,890	11,496
Woodson JHS	7	1956	172,151	1,665,893	611,042	61,940		105,131	20,611	12,464
TOTALS	**12**		**961,451**	**12,504,043**	**4,425,400**	**578,893**	**155,016**	**784,460**	**335,101**	**85,744**

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THE SUPERINTENDENT RESPONDS TO THE RECOMMENDATIONS OF THE TASK FORCES

SY 1992-1993

APPENDIX F.2

District of Columbia Public Schools

WARD PROPOSAL					SUPERINTENDENT'S PROPOSAL			
WARD	MAJOR PROGRAMMATIC RECOMMENDATIONS OF THE TASK FORCE	ACTION PROPOSED BY THE SUPERINTENDENT	TIMELINE		SUPERINTENDENT'S RECOMMENDATIONS FOR CLOSING	SCHOOL'S CURRENT ORGANIZATIONAL STRUCTURE	CONSOLIDATED SCHOOLS	ORGANIZATIONAL STRUCTURE OF THE CONSOLIDATED SCHOOL(S)
			PARTIAL IMPLEMENTATION	TOTAL IMPLEMENTATION				
1	• The three high schools in Ward 1 should remain open at their current locations with the implementation of the other proposals of the Task Force.	Accepted			Cleveland ES	Pre-Kindergarten - 3	Gage-Eckington ES Lewis ES	Pre-Kindergarten - 6 Pre-Kindergarten - 6
	• Mathematics/Science Program in Cardozo as a Charter World Class School within-a-school.	Accepted	SY 1993-1994	SY 1994-1995				
	• A Tri-Level Learning Academy-West should be created and implemented over a two year period. The concept parallels that of the Tri-School Learning Academy currently operating in five schools in the east of Ward 1.	To be studied						
	• No school in Ward 1 be considered for closing at this time. Rather, viable options for school consolidation may occur at the elementary level after the following steps have been taken to improve the quality of the educational programs at the lower levels: -redrawing the boundaries -relieving overcrowding -maintaining diversity -improving the quality of educational programs -addressing additional needs	Many of these areas are being considered						
	• Lincoln JHS be restructured as a middle school by Fall 1993. With a defined instructional focus, Lincoln will also serve as the middle school of the Tri-Level Learning Academy-West cluster.	Accepted	SY 1993-1994					

Franklin L. Smith
Superintendent of Schools
Chief State School Officer

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APPENDIX F.3

District of Columbia Public Schools

WARD PROPOSAL					SUPERINTENDENT'S PROPOSAL			
WARD	MAJOR PROGRAMMATIC RECOMMENDATIONS OF THE TASK FORCE	ACTION PROPOSED BY THE SUPERINTENDENT	TIMELINE		SUPERINTENDENT'S RECOMMENDATIONS FOR CLOSING	SCHOOL'S CURRENT ORGANIZATIONAL STRUCTURE	CONSOLIDATED SCHOOLS	ORGANIZATIONAL STRUCTURE OF THE CONSOLIDATED SCHOOL(S)
			PARTIAL IMPLEMENTATION	TOTAL IMPLEMENTATION				
II	• Syphax was designated to be closed based on the age, enrollment, capacity and dollars needed for repairs.	Accepted		June 1993	Syphax ES	Pre-Kindergarten - 6	Amidon ES	Pre-Kindergarten - 6
							Bowen ES	Pre-Kindergarten - 6
	• All special support, curricular and enrichment programs currently existing in all of the schools should be maintained and placed equitably in Amidon ES and Bowen ES.	Accepted		September 1993				
	• Academic options ie., math/science labs, foreign language/arts lab, computer labs, parenting workshops, enhanced counseling services, special education and other programs which emphasize positive role models and mentoring should be added to the clustered schools' focus.	Consistent with the Superintendent's Vision						
	• All monies that are currently being given to Syphax should be equitably distributed between the two cluster schools.	Accepted						
	• Students being merged with Amidon and Bowen will need to be bused across the busy intersections, especially M Street, S.W. Each school should be assigned a minimum of two buses. Particular attention should be given to ensure that students are merged into the clustered schools in as sensitive and fair manner as possible.	To be determined						

Franklin L. Smith
Superintendent of Schools
Chief State School Officer

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APPENDIX F.4

District of Columbia Public Schools

WARD PROPOSAL					SUPERINTENDENT'S PROPOSAL			
WARD	MAJOR PROGRAMMATIC RECOMMENDATIONS OF THE TASK FORCE	ACTION PROPOSED BY THE SUPERINTENDENT	TIMELINE		SUPERINTENDENT'S RECOMMENDATIONS FOR CLOSING	SCHOOL'S CURRENT ORGANIZATIONAL STRUCTURE	CONSOLIDATED SCHOOLS	ORGANIZATIONAL STRUCTURE OF THE CONSOLIDATED SCHOOL(S)
			PARTIAL IMPLE-MENTATION	TOTAL IMPLE-MENTATION				
II	• Syphax should be leased or rented to enable community use. All monies gleaned from leasing or renting should be reverted to the Southwest cluster schools. If the school is not leased, the site should be used for alternative programs (ie. Afrocentric or residential school classes). Should the closed school not be leased or used as a community center, it is recommended that it be demolished.				Syphax ES	Pre-Kindergarten - 6	Amidon ES	Pre-Kindergarten - 6
							Bowen ES	Pre-Kindergarten - 6

Franklin L. Smith
Superintendent of Schools
Chief State School Officer

APPENDIX F.5

District of Columbia Public Schools

WARD PROPOSAL					SUPERINTENDENT'S PROPOSAL			
WARD	MAJOR PROGRAMMATIC RECOMMENDATIONS OF THE TASK FORCE	ACTION PROPOSED BY THE SUPERINTENDENT	TIMELINE: PARTIAL IMPLEMENTATION	TIMELINE: TOTAL IMPLEMENTATION	SUPERINTENDENT'S RECOMMENDATIONS FOR CLOSING	SCHOOL'S CURRENT ORGANIZATIONAL STRUCTURE	CONSOLIDATED SCHOOLS	ORGANIZATIONAL STRUCTURE OF THE CONSOLIDATED SCHOOL(S)
III	• Eaton, Hearst, and Oyster, or any other successful, fully enrolled school should not be closed.	Accepted			N/A	N/A	N/A	N/A
	• No school should be closed because of its out-of-boundary enrollment which is strong evidence of the school's success.							
	• The District cannot afford to lose any of its successful, thriving, fully enrolled schools.							
	• A formal policy should be devised to provide for placement of Hearst's graduating third grade out-of-boundary students to their next school.	To be recommended to the Board						
	• In order to promote parental choice, encourage and support innovative programs, and develop the special needs that become magnets for students, the school system should develop different categories for schools with regard to attendance zones. As a starting point, three types of schools could be developed: the neighborhood school, schools of choice, and districtwide schools with special programs (magnet schools).	To be recommended to the Board	SY 1993-1994					
	• No schools were recommended for closing. Ward 3 has only nine small elementary schools which are far apart, fully enrolled and have a growing population.	Accepted						

Franklin L. Smith
Superintendent of Schools
Chief State School Officer

APPENDIX F.6

District of Columbia Public Schools

WARD PROPOSAL					SUPERINTENDENT'S PROPOSAL			
WARD	MAJOR PROGRAMMATIC RECOMMENDATIONS OF THE TASK FORCE	ACTION PROPOSED BY THE SUPERINTENDENT	TIMELINE: PARTIAL IMPLEMENTATION	TIMELINE: TOTAL IMPLEMENTATION	SUPERINTENDENT'S RECOMMENDATIONS FOR CLOSING	SCHOOL'S CURRENT ORGANIZATIONAL STRUCTURE	CONSOLIDATED SCHOOLS	ORGANIZATIONAL STRUCTURE OF THE CONSOLIDATED SCHOOL(S)
IV	• It is the position of the Task Force that no schools in Ward 4 should be closed or consolidated at this time.				Raleut JHS	7 - 9	Backus JHS	7 - 9
							Paul JHS	7 - 9
	• Educational reform in Ward 4 schools should include the following concepts: -Middle school established at Raleut -Ninth grade from Raleut moved to MacFarland or Coolidge -Early Learning Centers/ Schools -Later Learning Centers/ Schools	 To be studied To be studied						
	• The administration should carefully consider the following: -Enrollment and capacity of each elementary school listed for consolidation in Ward 4 -Recent renovations/upgrading of schools listed for consolidation -Distances that youngsters would have to travel if identified schools are consolidated	Accepted		June 1993				

Franklin L. Smith
Superintendent of Schools
Chief State School Officer

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APPENDIX F.7

District of Columbia Public Schools

WARD PROPOSAL					SUPERINTENDENT'S PROPOSAL			
WARD	MAJOR PROGRAMMATIC RECOMMENDATIONS OF THE TASK FORCE	ACTION PROPOSED BY THE SUPERINTENDENT	TIMELINE		SUPERINTENDENT'S RECOMMENDATIONS FOR CLOSING	SCHOOL'S CURRENT ORGANIZATIONAL STRUCTURE	CONSOLIDATED SCHOOLS	ORGANIZATIONAL STRUCTURE OF THE CONSOLIDATED SCHOOL(S)
			PARTIAL IMPLEMENTATION	TOTAL IMPLEMENTATION				
V	• No school in Ward 5 should be closed.				Langston ES	4 - 5	J.F. Cook ES	
	• Given the age of the building (constructed in 1902), its small student enrollment of 104 students, its proximity to Cook ES, the similarity and interconnectedness of their academic programs, and the sharing of the same principal, John M. Langston ES could be consolidated with J.F. Cook ES.	Accepted			Slater ES	N/A	N/A	N/A
					MM Washington SHS	9 - 12	Eastern SHS (Dental & Nursing)	9 - 12
							Roosevelt SHS (Culinary Arts)	9 - 12
	• Langston ES be reopened as a Reading Improvement Center servicing all 4th graders in Ward 5 who have need of reading remediation.	To be studied						
	• Hamilton, Penn Center, and Old Brookland be relinquished to the city government since they are older buildings which no longer house DCPS students. This action will allow DCPS to honor its commitment to the Mayor and the community consensus in Ward 5 regarding further diminishing educational services within the Ward.							

Franklin L. Smith
Superintendent of Schools
Chief State School Officer

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APPENDIX F.9

District of Columbia Public Schools

WARD PROPOSAL					SUPERINTENDENT'S PROPOSAL			
WARD	MAJOR PROGRAMMATIC RECOMMENDATIONS OF THE TASK FORCE	ACTION PROPOSED BY THE SUPERINTENDENT	TIMELINE		SUPERINTENDENT'S RECOMMENDATIONS FOR CLOSING	SCHOOL'S CURRENT ORGANIZATIONAL STRUCTURE	CONSOLIDATED SCHOOLS	ORGANIZATIONAL STRUCTURE OF THE CONSOLIDATED SCHOOL(S)
			PARTIAL IMPLEMENTATION	TOTAL IMPLEMENTATION				
VII	• No schools in Ward 7 be closed.				Weatherless ES	Pre-Kindergarten - 6	Plummer ES	Pre-Kindergarten - 6
	• A magnet junior high school should be established in Ward 7.	Accepted	September 1993	June 1994				
	• The school system should insist that the Mayor and the City Council use lottery proceeds for education, as originally intended.				C.O. Woodson JHS	7 - 9	Miller JHS	7 - 9
							Roper JHS	7 - 9
	• Central administration and the Board of Education should be moved into a vacant school building.	Accepted		June 1995				
	• The Cluster II Early Children's Academy report and the Cluster I Middle Magnet School proposal should be considered.	To be studied						
	• A method of school administration spending accountability should be established.	Accepted	1993					
	• The Restructuring Process that gives schools and the community a greater say in how schools are managed should be honored.	Accepted	1993					
	• Vocational shops should be added to all junior high schools.	To be studied						
	• A Ward 7 junior high school student task force to address issues relative to the junior high school student should be developed.	Accepted						
	• Instructional aides in grades one through four should be increased.	Subject to funding						
	• Metal-detector programs and manpower should be funded.	Subject to funding						
	• Math, science and English programs should be enhanced.	Accepted						

Franklin L. Smith
Superintendent of Schools
Chief State School Officer

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Mr. DIXON. If you would like to highlight the statement, we would be pleased to receive that testimony at this time.

SUPPORT OF "SUMMIT AGREEMENT" FUNDING

Let me start by asking you if you think—do you buy into the funding level that the school board and the leadership of the city has agreed to for the public school system?

Ms. THURSTON. I would answer that.

I am Delabian Thurston, Executive Director of the Parents United for the Public Schools.

The school system needs this amount of money and more, to be honest about it. Our school system's facilities are in need of constant maintenance. The amount of money in this budget does not provide what it needs for that maintenance. This has been the most horrendous school year we have had since 1980. If it never comes back again, it will be too soon. To have started the school year and have the superintendent actually do what we wanted him to do, to lengthen the school day so that our students got the same amount of instructional day and have that greeted with a furlough so that our teachers, who are spending 5 percent more time in class with our children, confronted with a 5 percent loss in their salaries, which were already the lowest in the metropolitan area, was impossible to believe that the Council would actually do that to us, was amazing.

They weren't getting any more money out of any other agency in this city, or any more work out of any other agency in this city. And our school system was getting more work out of our teachers.

In addition, when they came up with requirement that, in order to get whatever money they were going to give up—and we knew that the school system was going to take about a $15 million hit beyond what they have taken out of our budget; we were just waiting for it—when they, then, said, we will leave you alone if you will close 10 schools and fire 863 people. It is horrible to breathe a sigh of relief when that is, quote, all you are asked to do. But we did.

CAPITAL BUDGET

Then, to see the city now talking about taking money that is for capital improvements, using that money, which they did not give us when they promised it. The previous requirements were that our school system would get $50 million in capital money.

Mr. DIXON. $53 million.

Ms. THURSTON. A year. And they cut it down to $30 million. And they haven't floated the bonds. And we have highlighted the problem with our school facilities and fire code violations and everything else. We have a letter from the Fire Chief saying that schools will not open if those fire code violations are not corrected (see p. 2011).

RESOURCES NEEDED IN PUBLIC SCHOOLS

This is an—this is ridiculous in the Nation's capital. It is ridiculous anywhere. We have not received the resources we need. This gentleman, our superintendent, has people breathing down his neck because 10 schools are going to be closed. He did what people

talked about before. He went to the public and said, basically, you tell us what you want in schools. Parents did tell him. They want middle schools with science and technology; they want foreign languages; they want thorough academic programs for their children. You can't put in science labs, which takes capital money, if your roofs are leaking, if your schools don't have fire doors; and you have made this commitment in exchange for these closings, in exchange for the terror that parents are experiencing now thinking their child is going to go to another school.

In exchange for that, they were supposed to get something positive. Without money, they cannot get what is positive. I hate to be coming to you, quite frankly, as a member of the District who would like to see home rule and for self determination saying to you that if you don't provide for our children, we are going to be in terrible shape. But it is true. Because, I believe it was two years ago, when you gave the Council, I believe it was, $200 million in additional money; and we talked to you, and we left believing that part of that was going to be earmarked for the teachers' pay raise. And it didn't happen.

Mr. DIXON. Well, it wasn't.

Ms. THURSTON. I understand that. I understand that it wasn't written in. But I didn't understand it at the time. And the council definitely took the liberty of spending the money as it wished. And even though, I admit, we did not get the teacher contracts signed and all that, we still need the money. You can't attract the high quality of teachers that we need in a school system with a burgeoning minority language population, with a burgeoning low-income population, with children who are eating up lots of money in outplacement for special education. We have tremendous needs in this city.

Our superintendent is not only downsizing, he is doing the investigation it takes to figure out what the right size of the school system is. We are pleased with it. But he cannot walk on water. And we need help.

TWO ISSUES—FEDERAL PAYMENT INCREASE AND CAPITAL IMPROVEMENTS

Mr. DIXON. Well, you raise two issues; on one I am very clear; on the other, I am not. The $200 million you refer to was actually $100 million in the FY 1991 supplemental which got built into the base and it was approved midyear. So you are correct, that, within a six-month period of time, there was an additional $200 million in the annual Federal payment to the District government. It was really $300 million if you count the $100 million supplemental and the $200 million additional in the FY 1992 bill over and above the $430 million originally appropriated for FY 1991.

But then you focused in on capital improvements. It is my understanding that the District is supporting the $53 million in capital money for the school system.

Ms. THURSTON. They haven't floated the bonds. In addition, sir, you have to do constant operating maintenance of our school system. And every time we have been told to absorb whatever, and we have taken any number of absorbed cuts, the place that they absorb it is out of maintenance; it is out of textbooks and supplies,

because we are a people who don't want to fire people. And so that is where it always comes from.

And to be honest, sir, half of the criticisms our school board gets, that our superintendent gets, come out of that. The Council said, you absorb it. They absorbed it. And then the Council says, you have changed the way you spent your money from the budget. I mean, we are down on this school system a lot. But, I mean, some of the things that they are asked to do are absolutely impossible to do, and stay within the parameters of the budget that was approved.

CAPITAL BUDGET FINANCING

Ms. LEVY. In terms of the capital budget, of course, it comes in two parts; and the first is the authorization which is usually referred to as the budget. And there I would suppose they are supporting whatever they are supporting because, you know, with an authorization and a dollar bill you can get a ride one way on the subway; and that is it.

The other part that we have been particularly worried about, though, and that is the financing. And the promise was $50 million in financing after they sold bonds.

Mr. DIXON. Right.

Ms. LEVY. The problem is, in each successive year, over the last three years, the capital financing, the actual dollars and the ability to commit funds and let contracts, has come three months later than in the previous year. And so, at this point, we are three-quarters of the way into fiscal year 1993, and there is still no 1993 financing.

And so——

Mr. DIXON. How much was there in capital improvements in 1993? How much is there? $28 million?

Dr. SMITH. $45 million in 1992, and nothing yet in 1993.

Mr. DIXON. But there was $28 million in the 1993 budget for the capital program.

Ms. SHOOK. We had asked for $50 million for five years of capital money. As Mary said, we haven't received a dime.

Mr. DIXON. I was just asking how much did we finally pass for FY 1993. And the answer is $28 million. And you haven't spent any of that $28 million?

Ms. SHOOK. We don't have any of the 1993 monies. We have not seen it.

Mr. DIXON. You haven't received any of that money?

Ms. SHOOK. Not at all.

Mr. HALL. Right.

Ms. LEVY. You are speaking now just of the authority?

Mr. DIXON. Yes.

Ms. LEVY. What we are concerned about is the actual dollars, the financing after they sell the bonds, because until they have the money in hand, the contractors can't be engaged.

Mr. DIXON. I understand. You are saying that although they come up with capital outlay requests and they support those requests, they are either slow or they don't provide the bonding. They don't borrow the money.

Mr. HALL. It becomes misleading to many people because people will say, "we gave you the money. We gave you $53 million". What should be said is, "I gave you a check for $53 million, but you can't cash it and you can't do anything with it; and there is no money in the bank."

Mr. DIXON. Well, now, the City Council just authorized the issuance of $231 million in bonds. And I assume that you would expect to get $28 million of that.

Dr. SMITH. That is correct.

SCHOOL SYSTEM HAS EXHAUSTED CAPITAL FUNDS

Mr. SILBERMAN. May I add to that? I am Jay Silberman, member at-large on the Board.

One of the reasons that this is such a problem compared to other city agencies is that Mr. McAfee here, who is directing our facilities program, has actually gotten the school system's act together so effectively that he has used up all the past authority and allocations.

Most other agencies have not done that. They are still working off of old authority and capital dollars which go forward and do not expire. But Mr. McAfee has been so efficient in getting some of these buildings fixed that he has run out of that money, and he has been sitting here for this entire time without resources to go ahead with capital repairs. He hasn't had any old money to work with.

CONDITION OF SCHOOL PLAYGROUNDS

Ms. THURSTON. I would also like to explain, sir, I was having a conversation—because I wanted to make certain that when we saluted Mr. McAfee for the wonderful work he had done on playgrounds that it was, indeed, true—that all of our schools—we have testified to you before about the abysmal condition of our playgrounds.

At this point, there are only two schools that don't have new playground equipment: Bancroft and Brookland.

But the gentleman with whom I was speaking said that he refuses to write any checks for anything else to get any equipment until the bonds are floated.

I have talked often with a member of Councilmember Mason's staff that says this is all bogus, that they are going to get the money and they should go ahead and authorize it. Suppose they don't give it all to us, suppose I have written this check, it cannot be cashed, I am responsible for this. I mean that puts a whole new light on it to me. It is not just an empty gesture that the school system says, we are not spending this money until you actually give it to us.

IMPACT OF BUDGET REDUCTIONS

We are also, as I have explained, just desperately concerned that parents come away from the whole school closing and consolidation process believing that even if they didn't want to lose their school, they are going to get a better program. And we cannot assure that. They can't assure it until they can have school open in September with the labs in place, the faculty in place, the news programs in place. And that has to take place, even though they are firing peo-

ple all through the summer. They are waiting to find out what the balancing is going to be.

We understand the national government has a fiscal problem. But we are parents. And this is the next year of our children's education. You can't give it back to them. And we need your support.

SOURCES OF CAPITAL OUTLAY FUNDS

Mr. DIXON. The school district, at this point, doesn't feel comfortable in just taking the money out of general revenue for capital improvements since you know that the City Council has authorized the long-term bonds?

Mr. SMITH. We just don't have it. And that is the whole idea behind the reduction of the staff, so that we can spend the money that is for nonpersonnel services in that area.

We are looking at a budget of which approximately 85 percent is in personnel. There is just not a lot of money to spend.

Mr. SILBERMAN. Not only that, Mr. Chairman, but I think what you just suggested is what most people would think to do: just take it from here if you don't have it there and then get it back later.

Mr. DIXON. Since it is authorized and there is no disagreement by the Mayor or Council.

Mr. SILBERMAN. The school system has sought to do that as to some of the fire code violations, in the last year or two, particularly.

And, yet, because it is a technical violation, shall we say, the D.C. Auditor, for example, has said you have gone and used some of that operating money to put into a capital program. The fact is——

Mr. DIXON. That is what Mr. Mallett, the City Administrator, said the city was going to do.

Mr. SILBERMAN. That is right. We found it ironic to deal with some fire safety problems, and then a few weeks later have the city say we are going to do it to meet payroll.

But that is the kind of problem that we have had to deal with.

SPECIAL FEDERAL FUNDING FOR PLAYGROUNDS

Mr. HALL. Mr. Chairman, I think in my opening testimony I indicated what Mr. Gallo has said in years past as we came here. What is clear from the record is that this body did add money to our budget specified for playgrounds.

Mr. McAfee confirms this, is that every single school in the District of Columbia has playground equipment installed right now because this body put the money in, and we didn't have to get caught in between the different reasons why some things can't happen. And we have made a commitment to this committee and to you, and that commitment has been carried out.

Mr. DIXON. Yes. We added $22 million. Those were the good old days.

Does anyone want to add anything?

DISTRICTS' FINANCIAL PROBLEMS

Obviously, the issue this year is how much leeway we have in our 602(b) budget allocation. And, quite frankly, I don't know if we

have any. I mean, what has happened, and I say this without any criticism, is that the District seems to be in some financial trouble. The dialogue with the Mayor and the former Chairman of the City Council would indicate that.

There is, at worst, a dispute and, at best, some would say the wrong formula being applied to determine the amount of the Federal payment. Setting aside that issue, the City Council said, in their report and the council chairman's letter to me that if there is any extra Federal money, they have already determined where they want to use it. So this year the District's needs are like a sponge. They have come up with a design to take everything on the table; and if there happens to be more on the table, they have something to absorb that too. Whatever Federal dollars we come up with is either part of the Federal payment or the city has made a request for the use of whatever it is that is left over.

So we have an all-encompassing budget from the District this year. And also, setting aside all of that, the District has some financial problems. So I am not optimistic that the Committee can add additional Federal money this year. And even if we did, for any additional money, there is already some kind of claim by the District, real or imaginary. If we were to come up with an additional $4 billion, we just had testimony about the unfunded pension liability which now totals $4.3 billion. So there are enough things out there that we can hang our hat any place. And then our 602(b) budget allocation is very tight.

I am just saying I identify with the problem. I think education is the first priority, but I don't know that there will be any other monies coming from our Committee, other than to support the $517.7 million in the city's budget for the public schools. I don't want to hold out any false hopes. But hope springs eternal. We will do the best we can.

Ms. LEVY. Could I add two points for the record?

Mr. DIXON. Certainly.

IMPLEMENTATION OF "SUMMIT AGREEMENT"

Ms. LEVY. One is that I don't know how the superintendent and the Board feel, but we continue to be a little nervous about full implementation of the summit agreement. It is clear from every piece of information we have that the school system is going to do what it promised. We have every indication that they are going to close the schools. Although that is, to be honest, intensely unpopular with our constituency. But they have taken so much abuse for it already that they might as well go ahead and do it.

And they are cutting the payroll. We will be watching that very closely because we have raw payroll data. But we are concerned that the teachers will not get their pay raise, and we are concerned that the city may wish, in view of its current condition, to go back on that agreement. And we would like to see everything possible done to make sure that the agreement is carried out on both sides.

FUNDING FOR PAY RAISES

Mr. DIXON. Well, how much is in the present budget for teachers' pay raises?

There is $70.7 million in total for pay raises. I assume that your collective bargaining unit has not negotiated yet.

Dr. SMITH. No.

Mr. DIXON. The budget breaks out police and fire, and all others. There is $19 million or $20 million for pay raises for the category. And I guess you would be in with that group.

Ms. THURSTON. Not exactly. You see, the agreement was that once they closed the 10 schools and fired the 863 people, everything else is covered, that the Mayor and Council said, whatever you negotiate, we cover.

Mr. DIXON. Out of the $517.7 million?

Ms. THURSTON. No. They cover.

Mr. DIXON. They would add. Okay. And that is what I am saying. They would take it from this pot of money here?

Ms. THURSTON. No. What that means is that they will cover. If it is more than that pot, if they have to deviate, they have said they will cover. And we need to hold them to that.

STATUS OF COLLECTIVE BARGAINING

Mr. DIXON. Where is the collective bargaining status this year? Have you started negotiations?

Dr. SMITH. Not for the teachers, because we are still dealing with the current contract to get that settled. That is going through the process from the Council to the Mayor and coming back to us. Once we get that back, we can deal with the summit agreement which gets into the 6.5 percent.

"SUMMIT AGREEMENT" INTERPRETATION FOR SCHOOL PAY RAISES

Mr. DIXON. So the city has made an agreement with you that whatever you negotiate for, they will cover it.

Dr. SMITH. No, not whatever we negotiate for; 6.5 percent.

Mr. HALL. And 4.5 percent will be provided for all school system employees except teachers. But if we have gone ahead and implemented our part of this bargain, which is closing the schools and reducing the number of employees and we come up short, they will make up the difference. That is what this agreement says.

REDIRECTING SAVINGS TO PROGRAMS

Also, the agreement provides that the Mayor will not cut our budget any more. So if we were to effect savings, for example, moving out of the Presidential Building, which we voted to do, will save the rent dollars, and if our budget is not reduced, then those savings can go to instructional programs.

If our budget is summarily reduced by the Mayor, then the cost savings would be wiped out. We are cutting back to save money with the understanding that our budget will not be reduced each time we save money.

TERMS OF "SUMMIT AGREEMENT"

Mr. SILBERMAN. I feel, Mr. Chairman–I think it is important to understand that there is a "trust me" aspect to this agreement.

Mr. DIXON. Well, most agreements between cities and——

Mr. SILBERMAN. We were asked to go ahead and take certain actions, and they were specifically laid out. And within the next month, it will be a *fait accompli.*

The "trust me" part of this comes in after that, because after that the agreement says, "Then you will get the money." And if taking these actions does not save as much as we, the Mayor's Budget Office, estimated that it would save-we, the Mayor's Budget Office, will come up with whatever the difference is.

Mr. DIXON. Right.

Mr. SILBERMAN. I just wanted to make sure that it was clear to you, because those final numbers are not in yet. It is something that will, in fact, come to your attention, I am sure at a later date.

Mr. DIXON. Fine. All right.

Anyone have anything else to add? Any final parting statement?

Ms. THURSTON. Thank you very much for this opportunity.

IMPROBABILITY OF ADDITIONAL FUNDING

Mr. DIXON. You are quite welcome. And as I indicated, I would like to provide some additional Federal money; but I just don't know that it is realistic to say that we can.

COMMENDATION OF CONGRESSMEN GALLO AND REGULA

Ms. LEVY. Parents United regrets the departure from the Committee of Mr. Gallo and Mr. Regula, who were, I think, very helpful to us.

Mr. DIXON. Very good Members.

Ms. LEVY. And had something to do with that playground equipment that we now see all over the District.

And finally, of course, we would like to thank you, as always, for being a good friend to the District and its children.

Mr. DIXON. Well, I get beat up on sometimes, but that is part of the job.

CONTROL OVER SCHOOLS BUDGET

Mr. GRAY. I am Bernard Gray, Ward Six representative, Board of Education.

It would be appreciated if you would reconsider the amendment in the appropriations bill allowing the Mayor to cut the board of education's budget, because I think that is what puts us in a great bind over the teacher furlough.

We were well within our budget, and they decided to mess with the educational process of our children and allow her——

Mr. DIXON. Hold on a minute, let me make sure I understand what you are talking about.

What amendment?

Mr. GRAY. There was one giving the Mayor the right to cut budgets in the District of Columbia, including the Board of Education budget.

Mr. DIXON. That was in 1993?

Mr. GRAY. Yes, sir.

Dr. SMITH. Yet——

Mr. GRAY. And we were well within our budget. And in order to make up the city's deficit, the Mayor decided that she should interfere with the educational process of our children. And she decided to furlough Board of Education employees and teachers for 12 days, and that resulted in savings of $18 million, which is 50 percent of the city's budget deficit of $36 million.

And if she has that kind of control and power, then there is no reason for her not to exercise that in the future when we are well within our budget. We have educational programs planned, and she comes along or any Mayor comes along, and decides that, although it does not give children the priority that they deserve, she will cut the board's budget.

I think that would be very devastating to any program which is making progress. Because we stay within our budget, we have to make up the city's budget deficit.

LEGISLATION GRANTING MAYOR AUTHORITY TO REDUCE SCHOOLS' BUDGET

Mr. DIXON. Well, Mr. Miconi tells me it was a bill introduced by the authorizing committee. But I think he is wrong. I think we did it.

I am pretty sure Migo, but I will stand corrected.

[CLERK'S NOTE.—See "Clerk's Note" on page 2114 and clarification on page 2262 concerning authorizing legislation reported by the Committee on the District of Columbia chaired by Congressman Dellums that became Public Law 102–106, approved August 17, 1991, which gave the Mayor and Council the authority to reduce the budgets of all agencies, including the Board of Education, under certain circumstances.]

ACCOUNTABILITY FOR BUDGET DECISIONS

Jim, you may recall, we had a dialogue here with the Mayor and the Chairman of the City Council, who is now deceased. He was not optimistic, one, that the school district was going to follow through on this commitment. But I think he did advocate at that time that the school board should be the one held accountable and even advocated an independent taxing authority. We talked about that. That way the superintendent and the board would be held accountable for property tax increases that are dedicated to education.

The problem with what you say, from my perspective, is that under the present system, the bottom line is there has to be one person responsible, and that is the Mayor. Now you can argue whether the money is being spent well or not. But setting that aside, if you have a crisis, there has to be somebody who takes the heat and the responsibility for making across-the-board cuts. And the mayor came and made a good argument that ultimately the buck stops with her. I know that that doesn't please everybody. Otherwise, you just get into a push-pull situation and paralysis sets in.

Mr. WALSH. Mr. Chairman, if I could just add to that, I will propose a hypothetical situation.

What if the Republican party took over the Congress? My party.

Mr. DIXON. I am glad you said that.

Mr. WALSH. What if this committee was chaired, for example, by me, and I decided that I didn't think the education department of the City of Washington was running properly and we directed the Mayor to fund them less than the Mayor wanted to, how would you react to that?

Mr. GRAY. If I may, that is fine. The point is, once we have a budget mark, and we are proceeding within that budget mark, why

should we suffer for someone else's mismanagement? I am not saying, "Don't have that control. Don't let the Mayor recommend and the Congress not approve our budget." But once we have it, and we are on budget, why should the school system be penalized because someone else's agency decides that they are going to overspend? Because that is, in effect, what happened.

Mr. WALSH. The issue, I guess, is who is responsible for making those decisions. And I would submit that I agree with the Chairman, that I think it is much better to have someone who is locally elected with the support of the people of the District making those decisions than a group of outsiders who, quite frankly, have a responsibility but don't have the day-to-day working knowledge of what is going on in the school district or in the city government.

Mr. GRAY. Why shouldn't the Board of Education make that determination within their own budget? That is all I am saying.

Mr. WALSH. When you have separate taxing authority, you should. But you don't have that separate taxing authority.

Mr. DIXON. It all interweaves.

Mr. WALSH. The Mayor and the Council levy the taxes.

Mr. GRAY. It would be good. She would take the responsibility, and when she did that, she didn't have anything to do with school closings.

PROPOSED CHANGE IN GOVERNING PUBLIC SCHOOLS

Mr. HALL. I have met with several Council Members, and our Board Members on this whole issue of governance, the responsibility for raising the taxes and overseeing how they are spent and overseeing the educational process.

What we will be coming forward with is a proposed change which will come from the Board and the Council and go to the voters and then come back up to Congress. And I think that is the way to resolve our differences, to ask you to do it. I think you have, under the home rule charter, provided for how we could amend our home rule process.

Mr. DIXON. I stand corrected. The Mayor and Council did send us new language, and we didn't act upon it. And then the authorizing committee, at that time Chaired by Congressman Dellums, reported out a bill that the President signed August 17, 1991 as Public Law 102–106 giving the Mayor and Council that authority.

Now, you are correct, we could, in this bill, remove that authority from the Mayor and Council; but I am not inclined to do that.

Does anyone have a final last word? Mr. Walsh?

Mr. WALSH. No, sir.

Mr. DIXON. I thank you all for coming up today and look forward to seeing you again.

We have one more person, and she will be here at 1:30 p.m.

SPECIAL REPORT AND LETTER PREPARED BY COPE

We have received from the D.C. Committee on Public Education a special report on the public schools' proposed fiscal year 1994 budget and staffing along with "A letter to the citizens of the District of Columbia" that we will place in the record at this point.

[The special report and letter referred to follow:]

SPECIAL REPORT BY THE D.C. COMMITTEE ON PUBLIC EDUCATION ON THE PUBLIC SCHOOL'S PROPOSED FY 1994 BUDGET & DCPS STAFFING

The public education system of the District of Columbia does not adequately serve the community's children. The elected officials who are responsible for public education in the District have been either unwilling or unable to reach a consensus on achievable educational goals and have not delivered the quality of education our young people need and deserve.

This, unfortunately, is nothing new. Part of the problem stems from the District's unique governmental structure. Authority over and responsibility for the District's school budget rests with three different and oftentimes politically competitive elected bodies: The Board of Education, the City Council, and the Office of the Mayor. The politics surrounding incumbents, would-be council members, and would-be mayors often intrude upon the debate on public education funding. Because the Board of Education has budget authority, but no responsibility for raising the money it requests, it is free to avoid the hard issues and ask for its "wish list" year after year. If the Council does not approve the requested spending and allocates less, the Board is essentially "off the hook"; it can point to the Council's actions as the basis for underfunded initiatives, lack of supplies, and lack of teachers.

The Council does not do much better. Because it can only allocate the overall amount of the public school's budget, not control the spending within the budget, it is more inclined to direct resources to other agencies over which it exercises more control and can command some degree of accountability. The Office of the Mayor has expressed frustration at the quasi-independence of the school system, and sometimes preempts its prerogatives.

Perhaps the greatest barrier to cooperation is the almost complete lack of confidence and trust between these groups. The City Council and Mayor have grown skeptical about the budgets presented by the School Board, and with good reason: These budgets are largely a fiction. Year after year, the school system's spending is significantly different than planned budgets. In fact, some question whether the Board of Education really knows what the budget numbers truly are. Couple these suspicions with political squabbling among the District's civic leaders, plus the widespread belief that the funds that are allocated for the schools are spent inefficiently, and you have the makings of a very antagonistic and unhealthy situation.

To its credit, the school system has tried to make progress on downsizing and efficiency savings. Unfortunately, the few times that it has been able to achieve demonstrable savings, it has done so only to see that money reallocated to other city agencies or programs. Although we understand and share many of the concerns of the Mayor and City Council and do not condone the school board's failure to provide timely and accurate information, the school board's past experiences suggest one reason why it has been reluctant to aggressively pursue downsizing and cost reductions.

This situation is unacceptable. A major obstacle to educational reform in the District are the battles over turf, adult power struggles, and adult egos. Unfortunately, we adults have lost sight of the fact that the only real losers in all of this are the District's children. .

COPE does not believe that the factors cited above are sufficient justification for the failure of this community and its leadership to come together in support of public education. We know that this failure has been harmful to children and it's our view that their needs should always come first. Moreover, the District is in the midst of a major fiscal crisis. COPE believes that the leaders of this city and school system must proactively face that crisis. Financial realities alone dictate that they agree on a limited set of 5 or 6 priorities for public education and that they state publicly that the status quo is no longer sufficient, desirable, or acceptable.

Furthermore, Superintendent Dr. Franklin Smith, the District's educational leader, should take the lead in developing this set of education priorities. Perhaps even more importantly, he must take the lead in developing the consensus on these priorities among the District's leadership and the District's many communities. School priorities developed to date rarely reflect the broad-based consensus necessary to tackle effectively the challenges our school system confronts.

COPE applauds Dr. Smith's attempts to increase the efficiency of the public schools. He understands the depths of the problems, and has begun to formulate an approach that addresses some of the more serious issues we face. The approach that the Board has adopted over the past several years -- cutting here, cutting there, nipping around the edges -- simply has not and will not work. We cannot afford continued redundancy and waste.

What we need is the educational reform equivalent to "Operation Desert Storm." The leaders of this city have to put aside their differences, come together, and

develop, in effect, a "New School System" and new school budget from the ground up. We have to determine, for each school, an educational budget and staffing pattern that provides quality education that meets the needs of the students. We have to make sure that those resources are made available to the school and its students. We have to permit each school enough autonomy and flexibility to experiment with the approaches and service delivery methods that best suit its needs. In this New School System, the central administrative structure must be skeletal and provide only those services that local schools cannot reasonably provide for themselves (e.g., procurement, accounting, legal, coordinated policy oversight).

The financial realities that confront the District absolutely require that the new budget for the schools reflect an organization that is geared to serve children and that is designed to produce a no-frills system. That budget must use the school building as its basic building block. It must have explicit performance standards, and it must allow for individual initiative and flexibility. Every non-teaching position in the school system must be explicitly identified and a persuasive rationale presented for its continued existence. To paraphrase Postmaster General Marvin Runyon, who has radically downsized the U.S. Postal Service, the new governing philosophy must be, "if you don't work directly with children, your job is suspect."

To this end, major accounting or management consulting firms should be retained to assist the school system in developing a credible plan for radical restructuring.

COPE recognizes that in the District's current financial state, no agency or Department can continue business as usual. The District government must make a major shift in its overall budget, and as we have noted, the school system should take its fair share of cuts in this process of radical restructuring. The financial crisis facing this city calls for annual spending reductions of at least $200 - $400 million dollars. Savings of this magnitude, in all likelihood, cannot be achieved without major reductions in the overall size of the District's workforce.

Every component of the District's government must be accorded equal treatment. That is, there can be no sacred cows; nothing off limits. For example, if after a similarly rigorous review it is determined that the fire department and the police department are over staffed, they too must bear their proportionate share of the reductions. Given the inefficiencies cited by the Rivlin Commission and a recent report by the Greater Washington Research Center, District agency and department

staff reductions do not necessarily have to translate into reduced levels of service in the field.

With this preamble, COPE has assessed the proposed FY 1994 budget. We also have updated the parts of the analyses done in our 1989 report. The picture, though mixed, is generally discouraging.

DCPS Efficiency and FY 1994 Budget Issues

The need for radical restructuring is reinforced by the latest statistics on the number of school system employees who do not work directly with children. In 1989 COPE commissioned a study comparing staffing in the D.C. Public Schools with staffing in a group of comparable urban schools districts, as well as the major suburban districts in the Washington metropolitan area. We found that the District had far more non-school based employees than any of the other districts.

COPE has now updated that study for the current school year using the "program budget" recently issued by DCPS and the schedules of positions by job title approved by Congress. The results are approximate, because of serious continuing deficiencies in the school system's management information systems. We made these numbers as comparable as possible by taking into account the District's state functions, leaving out transportation services, and other non-comparables. We have also tried to account for the District's large adult education program so as to remove any distortions introduced by those resources. Nevertheless, our results are compelling. Although the number of people who "don't work directly with children" has declined slightly since 1989, it remains excessive.

- **(Figure 1&2)** Overall, the Superintendent deserves credit for moving in the right direction. The number of non-school based staff has declined since 1989, while the number of school-based instructional staff has increased.
- **(Figure 3)** This represents an improvement, but when compared to the other surveyed school systems, we see that DC's staffing patterns are still significantly out of line.
  - We have roughly 1000 more positions for non-school based and maintenance employees than our comparison systems would have if their student populations were equal to our own. The Superintendent is proposing to reduce

this number by at most 200. Over the long haul, we should be roughly comparable.

- The number of DCPS positions in "school-based instruction" supports the Superintendent's thesis that we may have too many teachers. However, before we can support the proposed reduction in teachers, we believe that a detailed analtsis of staffing needs for each school must be developed to insure that all schools are staffed adequately and appropriately.

- **(Figure 4&5)** We looked at the employee-pupil ratios of the surrounding jurisdictions and the comparison cities and asked ourselves the question: "If these school district's had student populations the size of the District's, what would their staffing levels be?" The comparison is startling.
  - If the surveyed urban school systems had student populations equivalent to the District, on average they would employ 84 "Board and Superintendent Support" staff employees; The District employees 147 -- **75% more.**
  - And incidentally, the issue as it concerns the Board of Education is not just the number of people and their direct cost. There is a very real loss of productivity within the school system's administration. In effect, you have 11 individuals (each with full time staffs and an office in school headquarters), and 10 active Board of Education Committees, and all are involved intimately with the school system's senior staff on a daily basis. It is difficult for the Superintendent and his staff to effectively manage the school system with so much time spent interfacing with the Board and its Committees.
  - The surveyed school systems would employ 1079 employees for "Non-Instructional Services"; The District uses 1461 -- **35% more.**
  - **The District uses 126% more non school-based instructional support staff than the surveyed urban systems would utilize with an equivalent student population.**
  - The District also well over 30% more school-based staff than the surveyed urban comparison systems

Direct comparisons between these systems and the District are instructive, not foolproof. They suggest however, that DCPS is out of line with reasonable norms and practices -- even when the functions, agencies, and programs unique to the District are taken into account.

DEFINITIONS

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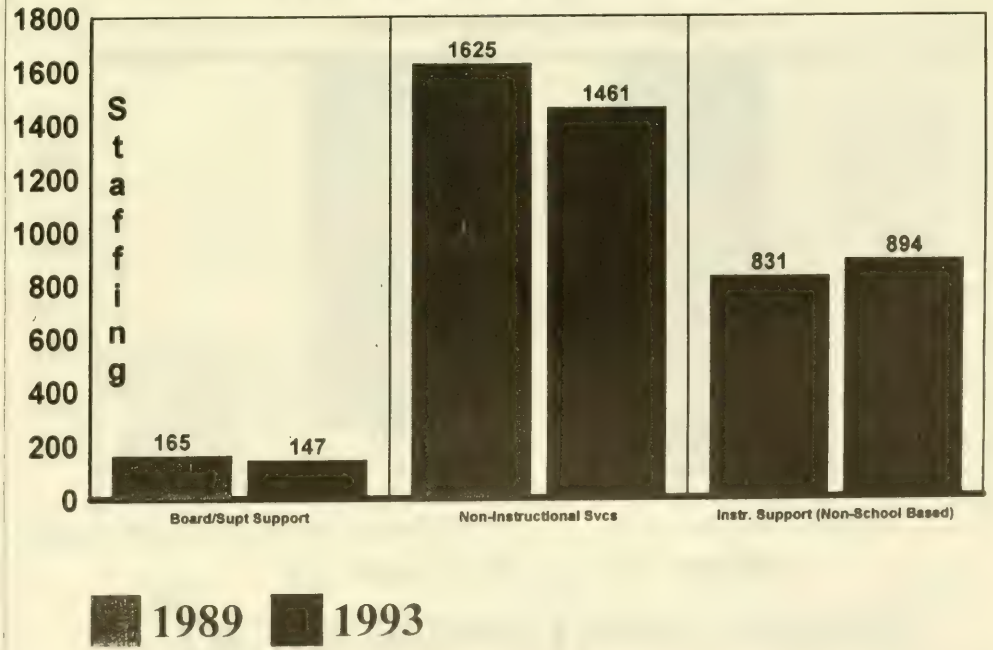
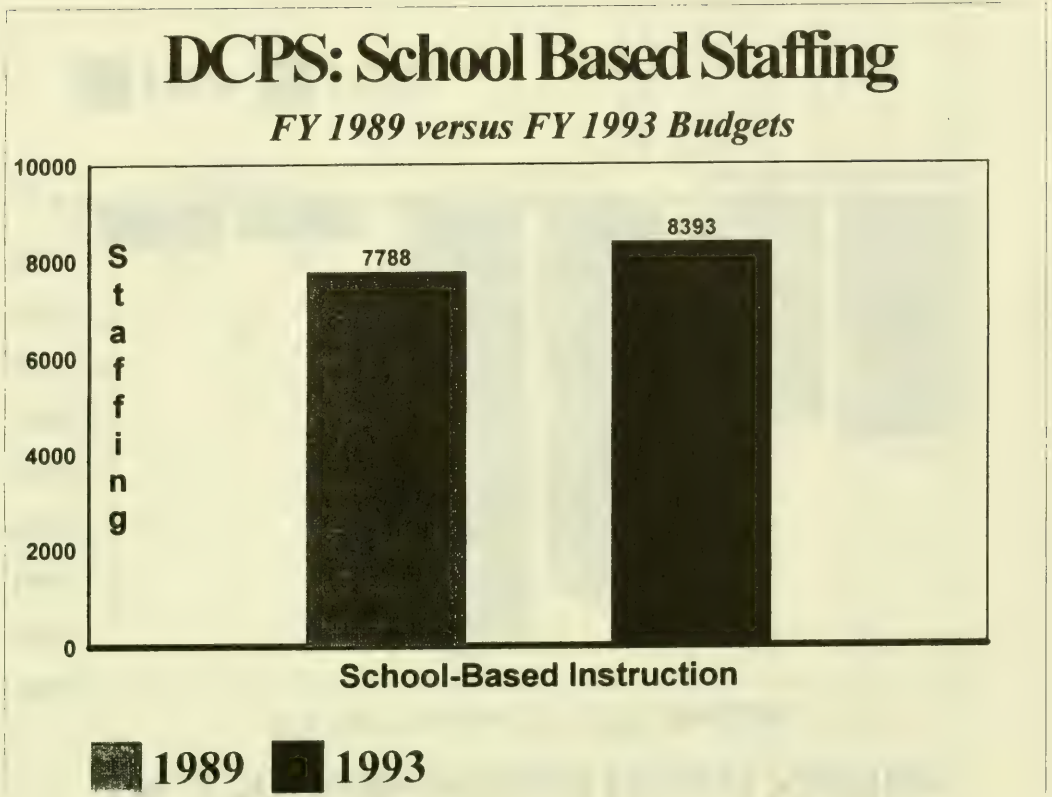
DCPS: Non-School Based Staffing

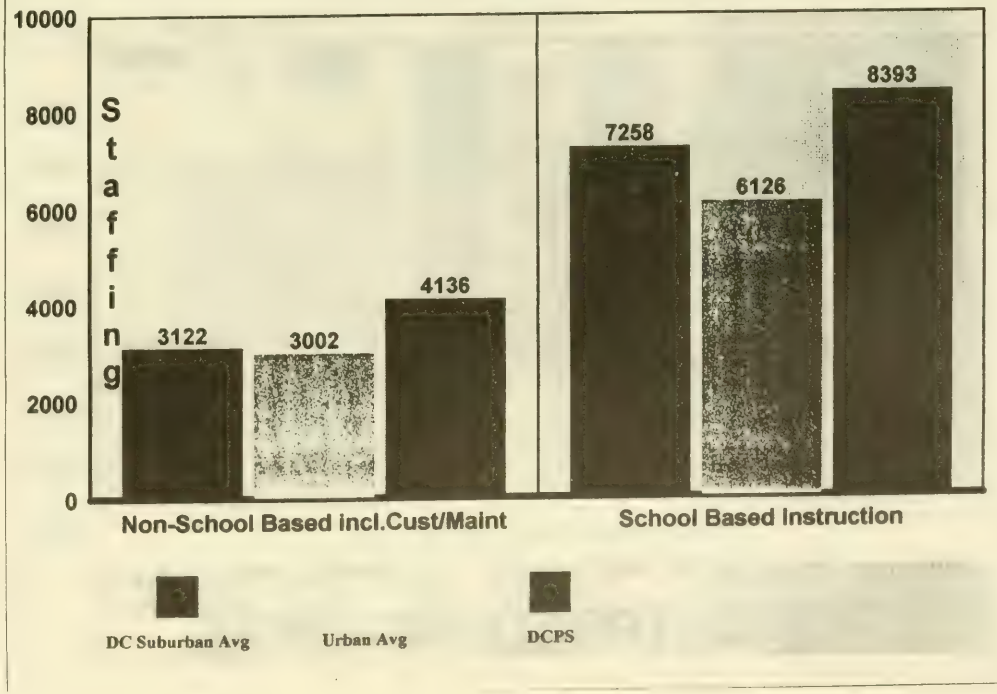
FY 1989 versus FY 1993 Budgets




DCPS: School Based Staffing
FY 1989 versus FY 1993 Budgets
10000
8000
6000
4000
2000
0
Staffing
7788
8393
School-Based Instruction
1989
1993

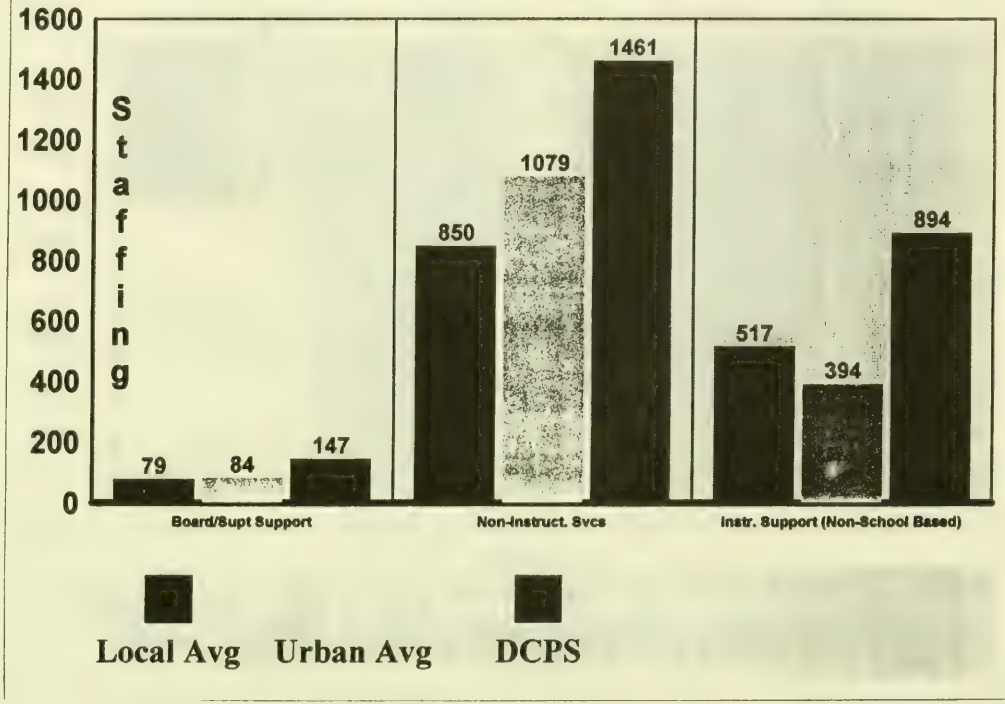
Non-School Based and School Based Staffing

DCPS FY 1993 Budget Versus Comparison With Other School Systems for Eqivalent Enrollment



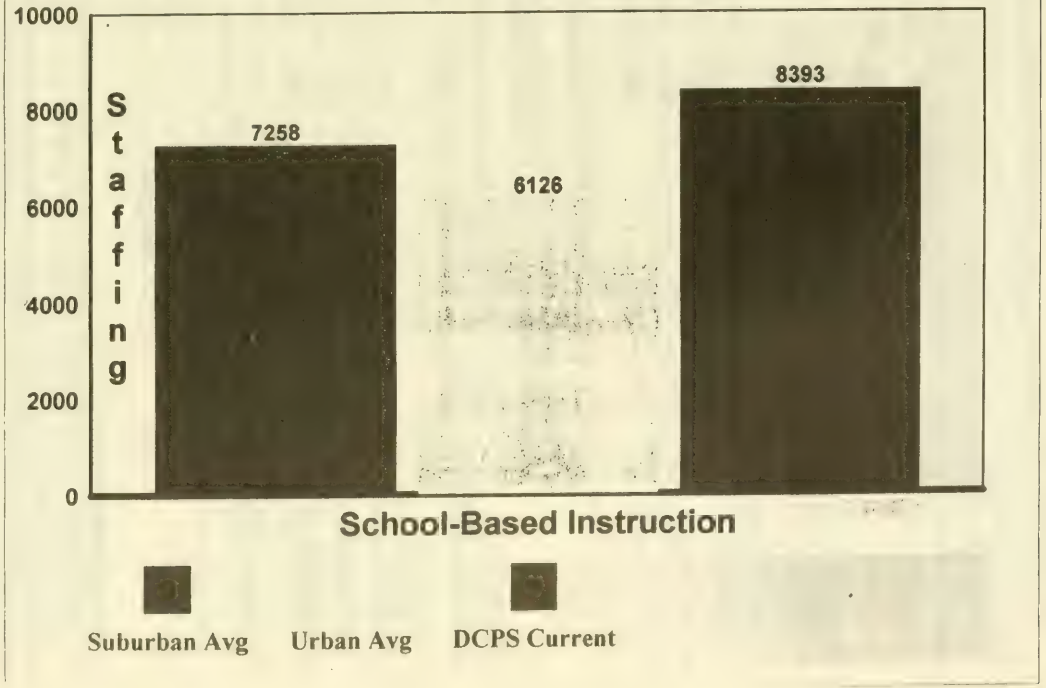
Non-School Based Staffing

For a School Population Equivalent to DCPS in FY 1993



School Based Staffing

For a School Population Equivalent to DCPS in FY 1993



DCPS STAFFING RATIOS EXCLUDING ADULT/COMMUNITY ED STAFF FY 1989 & FY 1993
FY 1989 & FY 1993

Enrollment 1989 83,000
Enrollment 1993 80,900

District of Columbia Staffing

	DCPS Staff – –Number		DCPS Staff/ 10,000 Pupils	
	1989	1993	1989	1993
Board/Supt Support	165	147	19.9	18.2
Non Instruc Serv exc Facil	1,625	1,461	195.8	180.6
Non Sch Based Instr Supp	831	894	100.1	110.5
Total Non Sch Based exc Facil (cust/maint)	2,621	2,502	315.8	309.3
Custodial/Maintenance	1,632	1,634	196.6	202.0
Total Non Sch Based + Cus	4,253	4,136	512.4	511.2
School Based Instruc'l	7,788	8,393	938.3	1037.5

Comparison With Other School Districts

	Comparison Dist Staff/10,000 Pupils			Comparison Dists adjusted to DC enroll		
	DC Suburbs	6 Oth Cities	Both	DC Suburbs	6 Oth Cities	Both
Board/Supt Support	9.8	10.8	10.4	79	87	84
Non Instruc Serv exc Facil	105.1	133.4	122.1	850	1,079	988
Non Sch Based Instr Supp	63.9	48.7	54.8	517	394	443
Total Non Sch Based exc Facil (cust/maint)				1,446	1,561	1,515
Custodial/Maintenance*				1,676	1,442	1,550
Total Non Sch Based + Cust				3,122	3,003	3,065
School Based Instruc'l	897.1	757.2	813.1	7,258	6,126	6,578

* Cust/maint personnel comparison based on DCPS facilities' square footage.

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What are the implications? Obviously the Board of Education views the issue of downsizing myopically, and is missing the big picture. A reduction of 10 FTEs here and 20 FTEs there will not achieve the fundamental and deep rooted restructuring the District's public schools must undergo. Indeed, the pattern of reductions suggest the absence of a plan other than waiting for employees to resign or retire. This is not enough.

The DCPS 1994 budget submission is much less than we had hoped for. First of all, we commend the Superintendent for:

- Taking steps to cut payroll costs -- costs that have consistently exceeded budgetary limits for several years;
- Making progress on realigning the budget internally to bring it closer to the reality of actual expenditures;
- Planning to cut 100 higher paid management and professional slots not based in schools;
- Planning to cut 100 unneeded support positions;
- Planning to reduce unnecessary duplication in programs;
- Planning to consolidate school programs in fewer buildings.

Regrettably, however, this budget is inadequate given the fiscal crisis that is upon us. It does little to address the likely $30 million or more budget cut the school system will face this fiscal year. Nor does it contain the data needed to rationally approach the restructuring that will be called for. We note, for example, that important data are not provided and important questions are unanswered. Furtteachers' positions and school-based programs are the bulk of the cuts that are specified. These cuts may be justified, but the underlying data that would support them are not available. (COPE will defer judgment on this until a detailed analysis of staffing patterns at the schools is completed.)

More importantly, the proposed budget ignores the "radical departure" from business as usual called for in the Superintendent's Opening Statement and leaves the enormous central, non-instructional structure largely in place. What is needed is a plan of action that turns the current school structure on its head. A plan that starts with local schools and builds outward from there. The layers of central

administration that stifle innovation, consume resources, and offer little in return must be rooted out.

All of this cannot be accomplished in one year. It will need to be phased in and coordinated with a detailed management review. But the time is **now** to develop the plan that leads to radical restructuring that grants more autonomy to local schools, cuts away stifling bureaucracy, and leaves a minimal central staff.

- Consider for example, the Board of Education salaries and staff
  - The 11 Board members are paid about $30,000 apiece, substantially more than many teachers. They average almost three staff positions apiece, for a total payroll cost of $1.5 million.
  - Savings from eliminating Board member salaries and cutting staff as recommended by the Rivlin Commission would provide enough money to hire at least 30 psychologists and social workers to serve children who need but receive no social services.

- Human Resource Management
  - DCPS has over 100 jobs (excluding state-level certification functions) in this sector, compared to an average of 75 in the comparison districts for the same number of employees. Prince George's County, with the same number of personnel and many more students, does the job with 55 people.
  - Only a fraction of D.C. elementary schools offer foreign language instruction. Saving $2 million by reducing D.C. human resource management personnel to the Prince George's level, would provided the funds to hire about 65 elementary foreign language teachers.

- Overhead for administration of federal grants
  - D.C. uses the full federal allowance of 20% of its federal funds for administration. Chapter 1 central administration alone soaks up almost $1 million; Chapter 1 instructional supervision and evaluation personnel take another $700,000.
  - Reducing administration to 10% would produce about $6 million that could be used for direct services to handicapped, limited English proficient students, and low achieving children.

- State Education Agencies
  - Unlike states, D.C. has only one school district but still "supervises" itself, with "state education agencies" for bilingual education, vocational education, adult education, special education, school lunches, and Chapter 1.
  - If the District joined Hawaii and Puerto Rico as one unified state district, it could save at least $1.5 million, freeing up funds for direct services to students.

- Warehouse/distribution personnel
  - D.C. has over twice as many warehouse employees (about 120) as any of the 10 districts in COPE's comparative staffing study (next highest: 63)

And do the D.C. Public Schools really need:

- Offices for teacher and teacher training certification with 20 people at the "state" and 5 at the "local" levels? (budget $1.1 million)
- A TV channel and instructional TV unit with 15 people (budget $850,000)?
- 7 people in an "Impact Aid" unit ($175,000)? Has the large "instructional support" bureaucracy noticeably improved instruction in the years of its existence? Do we need 9 people supervising interscholastic athletics? 70 in "instructional services" and 47 in curriculum? 10 central administration people in "values" and 13 in "gifted and talented"? 4 in "student affairs" 9 in "student services administration"?

Given these examples, simply spending on education is not enough. The money spent on education must be spent correctly and rationally. The school system must reorganize completely to deliver to our children the resources and support they need to succeed. That is not happening right now, and it is not being contemplated for the future in any serious way. It must happen, however, if our young people are to have the bright future and chances for success they richly deserve.

To reiterate, our major points:

- The current approach clearly is not working.
- The District's elected leaders must put aside their differences and come together in support of our children's future.
- The Superintendent is the community's educational leader; he must build a consensus around 5 or 6 educational priorities and the community and its leaders must support him in his efforts to achieve them.
- The District's financial condition demands that we stop dancing around the hard issues. Nipping at the edges of the public school bureaucracy will no longer suffice.
- We have to turn the system on its head; we must start with fully staffed, fully equipped local schools and add only the minimum central structure necessary to support them. We must provide maximum flexibility at the local school level to pursue innovative education and service delivery methods.
- As a community, we all have to come together and support this New School System, for our children's sake.

COPE will support the school system in this endeavor in anyway that it can. We believe the first step is to develop the school-focused budget. We urge members of the community and the private sector to assist in our efforts to support that undertaking.

If this community ever expects to see a long term improvement in its economic and social well-being, we cannot step back from our commitment to improving the educational system. Spending more money for police, spending more on welfare, building more jail cells will not change outcomes. Only if we invest in the future at the front end, will we have any chance of overall success.

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Detail

Board/Superintendent Support

Board/Board Staff
Superintent/Superintendent's Office
Labor relations
Legal services
Research, testing, evaluation & planning
Hearings & appeals
Inspector general, audit
Communications (public relations)
Grants administration
Impact aid, census

Non-Instructional Services

Information resource management
Human resource management administration
Personnel
Teacher services
Human relations, EEO
Staff development
Administrative/business services administration
Budget/finance

Facilities management and administration
Support services administration
Warehouse/supply distribution
Mail/reproduction
Food services
Equipment maintenance
Procurement
Safety & security
Sumner building

Excludes custodial & maintenance personnel, security aides in schools, all transportation, food services SEA, teacher certification SEA

Instructional Support - Non School Based

Curriculum
Instructional support
Central office supervision and administration over schools: central office components of Educational Programs Office, Special & Alternative Programs, Chapter 1, language minority, special education, vocational education, athletics, guidance & counseling
Library & media services
Educational technology
Substance abuse prevention
Student services
Gifted & talented
Values education
Special education assessment
Parent and community involvement
All attendance, psychological, social services
Ombudsman

School Based Instruction

Principals/assistant principals
Teachers (including special education, ESL/bilingual, Chapter 1, Head Start, elementary resource)
Special education therapists
Librarians
Guidance counselors
Aides
School clerical
Security aides

Comparison Districts Used in the Peat-Marwick Comparative Staffing Study (1989)

	Enrollment
D.C. Suburban	
Alexandria	9,475
Fairfax County	127,800
Montgomery County	102,750
Prince George's County	104,125
Other Cities	
Baltimore	109,675
Cincinnati	49,625
Norfolk	
Pittsburgh	39,675
Rochester	32,035
San Diego	117,500
District of Columbia, 1993:	80,900

DATA SOURCES

For DCPS Personnel Budget & Non-Personnel Budget Summaries: DCPS annual financial reports, FY 1990 through FY 1992; FY 1993 Operating Budget submission to the U.S. Congress

For DCPS Student/Staff Ratios FY 1969 - FY 1993: Joseph S. Drew, *Recurring Themes of Educational Finance in the History of Washington, D.C.: 1804-1982*. UDC Studies in D.C. History & Public Policy, Paper No. 3 (April 1982); annual membership reports, Fall 1979 through Fall 1992; annual requested operating budget submissions and Congressional budget submissions, including supporting schedules, FY 1980 through FY 1993.

For Non-School Based Staffing & School Based Staffing:

For comparison districts & for DCPS 1989: KPMG Peat-Marwick, Operational Review of the District of Columbia Public School System, for the D.C. Committee on Public Education and the Superintendent, Chief State Officer, DPCS (1989).

For DCPS 1993: DCPS Budget by Responsibility Center & Program (Oct. 1992); Schedule A to FY 1993 operating budget submission to the U.S. Congress.

Additional reference to requested budget submissions and Congressional budget submissions, including Schedule A, FY 1988 through FY 1993; DCPS directories; payroll listings; FY 1989 and FY 1990 budgets of individual comparison districts; personal inquiries.

A Letter to the Citizens of the District of Columbia

The D.C. Board of Education and the Washington Teacher's Union recently agreed upon a contract that would, if funded by the Mayor and City Council, provide teachers with their first pay increase in three years. It its 1989 report, *Our Children, Our Future*, the D.C. Committee on Public Education (COPE) made a series of recommendations aimed at improving the professional opportunities afforded District teachers, their working conditions, and their opportunities to influence the conditions and policies that guide their work. We made these recommendations with only one constituency in mind: the District's children. We believe that they are best served by a system that: 1) recruits and retains the best teachers available; 2) motivates teachers to perform at their best (and deals fairly with those who don't); 3) requires more "time on task" in the classroom; and 4) provides stipends and resources so that sports programs, extracurricular activities, and summer school programs are available and adequately staffed.

COPE feels that it is important for citizens to understand how the proposed contract relates to our initial set of recommendations. Regrettably, we must conclude that this contract is major disappointment.

Our analyses in 1989 and our 1992 report, *A Time to Act*, documented a substantial and growing disparity between the pay of District teachers and those in the surrounding jurisdictions. Moreover, if one takes into account the effect of the current furlough -- a euphemism for an across the board pay cut -- District teachers' salaries have been further reduced by about 5 percent. In addition to the devastating impact on teachers' morale, we believe that this creates a potential for an exodus of the District's best teachers to suburban districts, and it is a factor in the demonstrated low ratio of applicants-to-hires for the District's teaching jobs.

The proposed contract, if fully funded, provides an across the board pay increase of approximately 11 percent over the life of the agreement. This would bring the compensation of District teachers essentially to comparability with that of their suburban counterparts [Figure 1]. We support increasing District teacher salaries to comparability with the surrounding jurisdictions. However, one concern is that the contract won't be fully funded by the City Council. If it is not, the furlough will have the effect of cutting current salaries of teachers and widening the pay gap considerably [Figure 2].

Another major concern is that COPE made it clear that its support for any pay increase to bring about pay comparability must be matched by adopting a comparable instructional day and other important structural changes necessary to improve the quality of the teaching workforce and the quality of instruction available in the classroom. In particular, we advocated development of a revised teacher evaluation process and implementation of a career ladder. We see little progress on these issues in this contract.

We commend Superintendent Franklin Smith for unilaterally extending the instructional day by 30 minutes this fall. This brings the District's instructional day in line with those of the surrounding school systems. (The extra 30 minutes a day translates into roughly 90 hours -- about 14 *days* -- of additional instructional time for our children.) However, the school system captured this extra time by adding an additional 15 minutes to the start and end of the instructional day, time that formerly was used by teachers for planning purposes. Although students need a longer school day, teachers also need time to plan their activities and lessons. COPE urges the school system and union officials to work to make the structure of our school day comparable with surrounding jurisdictions.

There has been widespread dissatisfaction with the current evaluation system among principals, parents, and individual teachers for many years. When COPE produced its first report, there was a consensus among these groups that 15 to 20 percent of the teaching workforce performed unacceptably. However, the proposed contract leaves the evaluation system virtually intact -- and that system simply does not work. In the 1989-1990 school year, *only one half of one percent* of the teachers who were rated received either "conditional" or "unsatisfactory" ratings [Figure 3]. Common sense tells you that any personnel evaluation system that rates 99.5 percent of its employees as satisfactory or above, is no system at all and does not reflect reality. COPE believes the school system needs an evaluation system that recognizes outstanding teachers, identifies non-performers and contains fair provisions to help them improve, and provides effective means for removing those that cannot or will not perform satisfactorily.

COPE also recommended development of a career ladder that would differentiate the staffing patterns of the schools. An effective career ladder would allow the most able teachers to assume additional responsibilities to help upgrade the overall quality of the workforce while continuing to serve in the classroom. Incentives would be built in to encourage acquisition of additional in-service training and classroom study, and the opportunities for collegial exchange, support, and training

would be increased. However, even though the school system adopted a policy for a teacher ladder in 1985, and the teacher's union has spoken in favor of it, no action has been taken in this contract.

Other changes COPE recommended are not reflected in the current contract either. We advocated incentive pay on a school-wide basis (i.e., where all employees in a school would receive bonuses when the school exceeds its objectives); more options for year-round teaching contracts; increased pay for teachers involved in after-school sports and extracurricular activities; and pay differentials for hard-to-fill positions. Again, we see no movement on these issues.

In view of the foregoing goals, the new contract is simply not fair. It is not fair to the District's children because they deserve to have the very best teaching personnel available. The current contract does not put in place the compensation, training, and evaluation mechanisms to ensure that outcome. Nor, quite frankly, is it fair to the District's teachers. It does little to help their morale. They deserve the increased professional opportunities found in a career ladder program, fair stipends for extracurricular activities, and incentive structures found in other progressive school systems in the nation. Although we are heading in the right direction with respect to the teachers' salaries, it is not clear given the District's financial woes that the Mayor and City Council will approve the supplemental appropriation request to fully fund the contract.

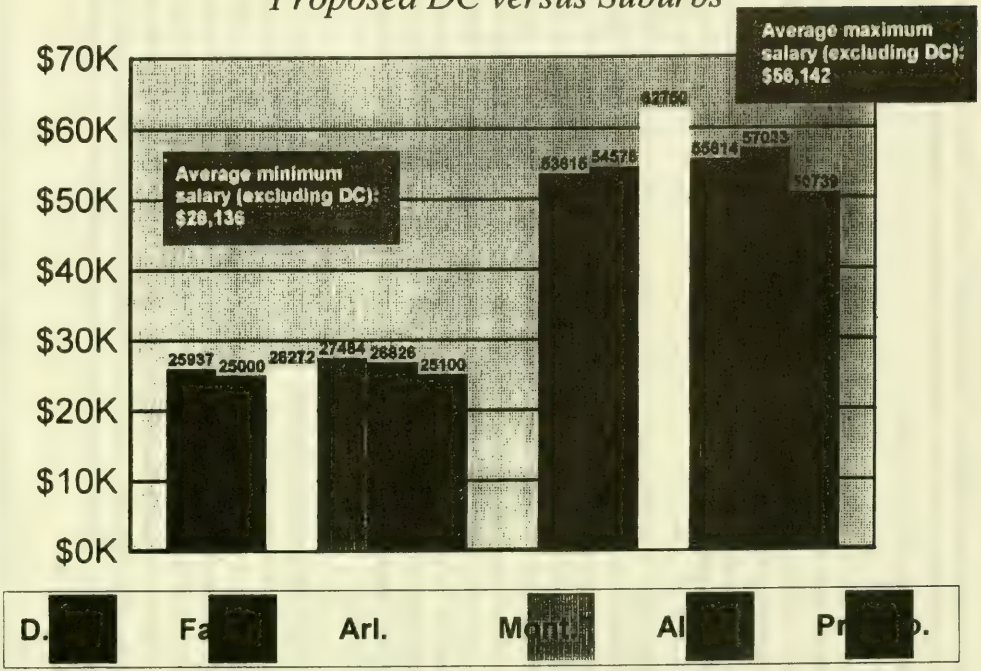
As COPE said in its initial report, teachers are the heart of an effective school system. If we cannot adopt practices that ensure we will be able to attract and retain the most able teachers for our classrooms, there is little likelihood of major improvements in the District's schools in the future. In fact, if we have moved at all on this issue in the last three years, we have moved backwards. This has occurred with little notice and even less scrutiny. It is a situation that calls out for major changes. The time for silence has long since passed; this issue demands the attention of our leaders -- and of all citizens -- immediately. Let's start over, and let's do this right.

Elliott Hall, Vice President of Ford Motor Company, and Terry Golden, Chairman of Bailey Realty Corp., are Co-chairpersons of the D.C. Committee on Public Education.

Figure 1

Minimum and Maximum Teacher Salaries

Proposed DC versus Suburbs



(Note: The DC salaries shown here will not be paid unless the DC Council funds the agreement.)

Figure 2

Effect of Furlough on Existing and Proposed DC Minimum and Maximum Teacher Salaries and Comparison with Suburban Average and Top Salaries

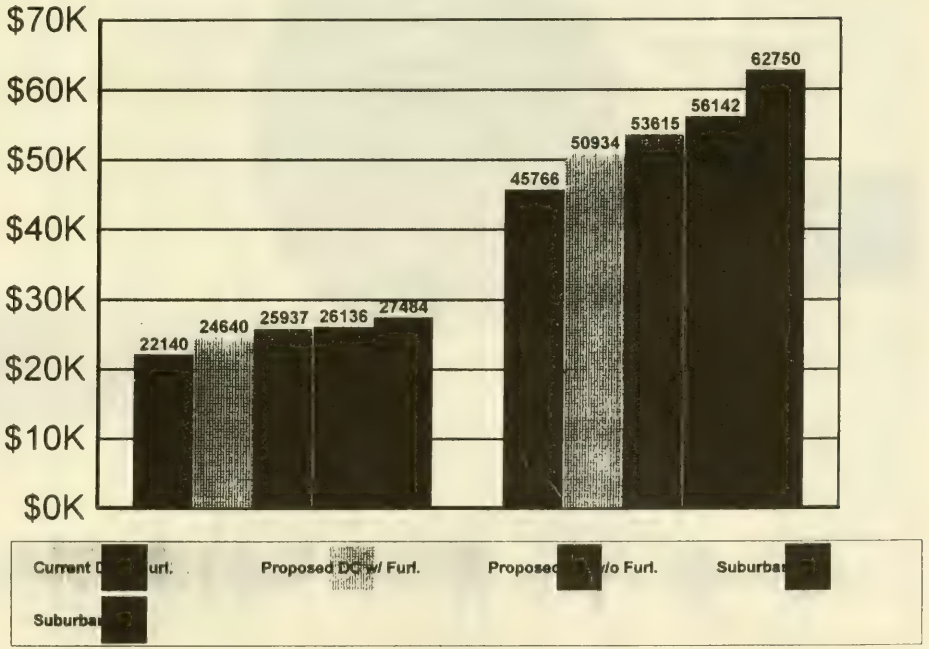
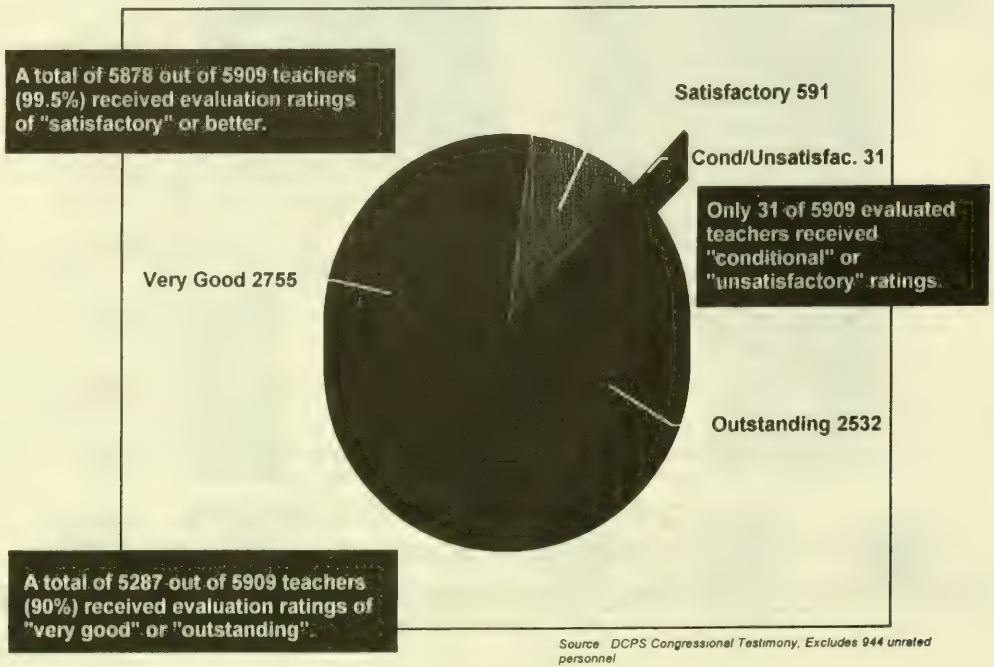


Figure 3

Number of DCPS Teachers in Each Personnel Evaluation Rating Category

School Year 1989-1990



Source DCPS Congressional Testimony, Excludes 944 unrated personnel

Summary of Progress on Washington Teachers Union Contract vis-a-vis Original COPE Recommendations

Attached is a summary of the WTU contract provisions cross-referenced with the recommendations in the COPE Report. It is important in reviewing the document to understand that the provisions of the contract and applicable law can stand in the way of implementing COPE recommendations in two different ways:

1. **Conflict**: where a current provision is in conflict with a recommendation and would have to be deleted or changed.
2. **Negotiable:** where the school system and the Union would have to agree upon an addition to the contract. The law generally divides management actions affecting unionized employees into management prerogatives, which management may implement unilaterally, and negotiable items ("wages and working conditions"), which it may implement only by agreement with the union. The latter include, inter alia, all changes in compensation and working hours.

In some cases, particulars of implementation not included in the relevant COPE recommendation will determine whether or not there is any conflict with the current contract. In the accompanying tables, these have been marked only as "negotiable" since some addition to the contract may well suffice.

Overall Summary of the Effect of Current/New Contract on COPE Recommendations

- Recommendation 4 / Schools of Distinction (Controlled Choice): Planning just started by system; will depend on specifics. **No change**
- Recommendation 8 / Restructuring school day, including after-school remedial assistance: would bar changing hours of full-time remedial personnel; otherwise would have to negotiate stipends. **No change.**
- Recommendation9 / Longer instructional day: 30 minute increase implemented at beginning of 1992-1993 school year -- not governed by contract. No change necessary.
- Recommendation12 / Compensation and Promotion:
  - Career Ladders -- never proposed by system; effects would depend on specifics of proposal. **No change.**
  - School-Wide Incentive Pay -- never proposed by system; would have to negotiate some particulars. **No change.**
  - 12 Month Contracts -- never proposed by system would have to negotiate. **No change.**
  - Greater Remuneration for Extracurricular Activities -- would have to negotiate. **No change.**

- Pay Differentials for Hard-To-Fill Positions -- can be done. No change necessary.

- Recommendation13 / Strengthened Work Force
  - NTE Required for Entry Level Personnel -- will be required when new exam is ready (not governed by contract). No change necessary.
  - Alternative Certification -- being implemented in certain areas. No change necessary.
  - Revised Performance Evaluation System -- Given long-standing position of WTU, blocked by current system. **No change.**
  - More Teacher Involvement in School Management -- see 16
- Recommendation16 / School-Based Management
  - Current contract would prevent giving principals final authority in personnel decisions and working conditions affecting teachers (such as removal from buildings or different working hours) if such authority were part of an overall school-based management plan. Current provisions could prevent other specifics in individual schools' SBM plans. **No change.**

Area	Conflict	Negotiable	Description/Clauses
Career Ladders		X	**Summary of COPE Recommendations:** • A five rank ladder starting with first year teachers ("instructor") and ending with recognition and utilization of experienced, exceptional teachers ("instructional leaders") in lead roles. Promotion would be decided by promotion boards at the school level composed of higher ranked teachers, administrators, and parents. Teacher salaries would be increased over current salaries at the entry level and would grow through the ladder, rewarding teachers at the senior ranks. Any move toward this structure would be accompanied by changes in the evaluation system. **Contract Status:** • No real move toward a career ladder system has been taken by the school system either contractually or administratively. Teacher compensation has been increased in the new contract, though not in accordance with proposed career ladder guidelines. **Discussion:** The school system is legally free to develop and implement unilaterally many basic aspects of a career ladder system (excluding compensation). However, promising career ladder systems (e.g., Rochester, Miami) are the result of formal agreements between the school system and the teachers' unions. Specific contract clauses that may require changes to permit integration of a career ladder as described by the Committee are: • Art VI. Grievance and Arbitration - either to exclude or include grievances arising out of career ladder decisions in favor of a separate procedure to be negotiated, or to adjust the existing grievance procedure to cover new situations that will arise out of the career ladder. (For example, if promotion decisions are made by a school level promotion board, existing procedures involving the principal are inapplicable and those relegating decisions to higher level authorities and arbitration may be inappropriate.)

Career Ladders (continued)			• Art XIII. Promotion Policies - if career ladder promotions are focused within schools existing staff • Art XVI. Temporary Teachers - technical changes to reflect the changeover to the five career ladder ranks and any associated rules related to length of service • Art XVII. Teacher Evaluation - (Addressed Below) • Art XIX. Leave Policies - technical changes similar to those for Art XVI • Art XXV. Policies Relating to Working Conditions of Teachers - likely changes to reflect longer work year and work day that may be specified for the two highest career ladder ranks • Art XL. Compensation - will have to reflect higher entry level salaries and differing salary levels for career ladder ranks integrated with compensation increments for seniority and degree levels Finally, criteria for assigning currently employed teachers to specific ranks will have to be addressed.

Area	Conflict	Negotiable	Description/Clauses
Evaluation	X		**Summary of COPE Recommendations:** • Revised evaluation system that rewards superior teachers and that removes non-performing teachers after appropriate in-service training and assistance. The Committee did not specify components, although it stated that any evaluation system should: ○ be tied to the career ladder ○ have evaluations by teams of instructional leaders and administrators ○ require formal intervention for assistance over specified periods ○ have the goal of bringing the teacher to a satisfactory level of performance ○ require termination where performance does not improve **Contract Status:** • There has been no change of substance in the teacher evaluation system. As before, the new contract specifies that a joint DCPS/Union committee develop recommendations by majority vote for the system. Since the committee is split equally between Union and DCPS representatives, the Union in effect possesses veto authority over any proposed evaluation system changes. The current system remains in effect. **Discussion:** The current Union contract in Art. XVII does not specify the components of the evaluation system, but provides instead for periodic review by a joint Board/Union committee with the assistance of outside expert consultants. The committee operates by majority vote, and has equal representation from the Union and DCPS. The contract also specifies due process actions for challenged grievances. A similar provision should be included in any revised system. Although basic provisions in this area could be retained, the Teacher Appraisal Process (TAP) to which it refers should be dropped entirely and replaced by a new system integrated with the agreed upon career ladder and meeting Committee specifications as described above. The system should also address

Evaluation (continued)			qualifications for advancement on the career ladder as well as unsatisfactory performance. Because of differences in local conditions, investigation of the details and results of different models used in other cities with effective programs also is recommended.

Area	Conflict	Negotiable	Description/Clauses
School-Based Management		X	**Summary of COPE Recommendations:** • A shared-decision making model wherein individual schools would be granted more autonomy in areas such as curriculum, personnel, allocation of funds, and in-service training. Teachers would be involved more directly in the overall management of the schools. School management councils of parents, teachers, and principals would be formed. **Contract Status:** • Several (largely unsuccessful) attempts at SBM have been made. Local School Restructuring Teams (LSRT) (school governance councils) have just been started at all schools. The DCPS "Planning Guide" constitute a set of guidelines for their operations. The new contract expands Art. IX to state that the LSRTs shall operate under these guidelines "as agreed upon by the Board and Union," and that their decisions "shall not change or supersede any contractual agreement, Board Rules, systemwide policy or procedures but will be handled in accordance with [these] guidelines...as agreed upon by the Board and Union." The meaning intended is not clear, but "as agreed upon" suggests that the Union reserves the right to accept or reject any variances from the contract. **Discussion:** The school system is free from any legal obligation to bargain with the Union over the constitution of school governance councils. It will, however, have to bargain over proposals in individual SBM plans involving wages and working conditions, such as personnel decision-making. Other proposals (e.g., unusual scheduling or funding allocation) will probably implicate the above listed contract provisions. For example, under the current teacher contract, the Union's School Chapter Advisory Committees (SCAC) at each school have certain prerogatives in respect to school operations:

School-Based Management (continued)			• Art IX. - Monthly meeting with the principal to consult on matters of school policy and questions relating to contract implementation • Art XVIII. - consultation by principal on scheduled times for routine PA announcements and declaration of unsafe conditions precluding holding of class • Art XXV. - Veto of mandatory attendance at general faculty meetings beyond one per month and beyond 4:15 p.m. or 1 hour; consultation by principal on schedule of planning periods and duty-free lunch periods in elementary schools and special education citywide schools • Art XXVII. - joint development with principal of procedures for distribution within the school of supplies, equipment, texts, and related educational materials Where specific contract provisions impede an individual SBM plan, the parties should negotiate specific waivers.

Area	Conflict	Negotiable	Description/Clauses
Controlled Choice System		X	**Summary of COPE Recommendations:** • COPE recommended that the school system make every school in the District a "school of distinction" with its own distinctive program. COPE further recommended that the system and Union develop procedures to enable teachers to choose the kind of program in which they wish to practice while ensuring that no school is deprived of critical faculty. **Contract Status:** • Superintendent has announced his intention to introduce a choice model into the District within 5 years. No changes in the current contract to reflect this. **Discussion:** Contract provisions that may need to be redefined are: • Art II. Provisions Defining Building Seniority • Art IV. Teacher Transfer Policies - particularly those governing voluntary transfers Otherwise, measure needed in conjunction with particular programs should be handled by individually negotiated waivers.

Area	Conflict	Negotiable	Description/Clauses
Student Instructional Day			**Summary of COPE Recommendations:** • Extend the basic instructional day by 30 minutes. **Contract Status:** • Considered a management prerogative and not addressed in the contract. Implemented unilaterally by the Superintendent, resulting in a decrease of before/after school planning time from a total of 1 hour to a total of 30 minutes. The Union demanded extra compensation agreed upon in the new contract, but without reference to the instructional day.
Various Compensation Issues			
• Different Hours for Remedial Specialists • Stipends for After School Activities	X	X	**Summary of COPE Recommendations:** Keep schools open from 7 a.m. to 6 p.m. with after school programs including remediation and voluntary enrichment, club, and athletic activities. Remedial instruction would be moved out of the regular classroom day to the after school period. Teacher stipends for participation in these activities would be increased and expanded to cover all approved activities. **Contract Status:** No action. **Discussion** The current teacher contract restricts the work day of for remedial specialists as well as regular classroom teachers. This will have to be renegotiated to the extent that instructional day hours are no longer needed. Alternatively, the school system can integrate this work into the stipend system used for student activities and athletics. Stipends of this kind are negotiated pursuant to Art. XXIX C of the contract. (Constraints in this section on teacher selection for stipend bearing student activities and sports should be

			reconsidered.)
· Incentives for Hard to Fill Positions			**Summary of COPE Recommendations:** · Teachers recruited to fill positions in areas of critical need should be started on a higher step of the salary scale and over time brought into comparability with others hired at the same time. **Contract Status:** Not applicable (see below) **Discussion:** Salary placement is not bargained. It is covered in parts 1105 and 1106 of DCPS BOE regulations.
· School-Based Incentive Pay Plan		X	**Summary of COPE Recommendation:** · All employees at volunteering schools receive a bonus if approved goals are exceeded. **Contract Status:** No action. **Discussion:** Amounts and criteria for extra compensation will have to be negotiated.
· Elimination of Coursework Beyond Degrees Attained as a Basis for Compensation		X	**Summary:** · Coursework that has not culminated in a degree would not be considered in the criteria for ascending a career ladder. (Current compensation system allows such coursework as a basis for set salary increments within each step.) **Contract Status:** No action. **Discussion:** The parties will have to agree to its elimination

Teachers' Retirement System

Agency Overview

Mission

The Teachers' Retirement System provides annuity payments and other retirement and disability benefits for the District Teacher retirees and survivors.

Program Description

The system administers active employees' retirement withholdings and the District's General Fund appropriation. The benefits include both pension payments and refund payments of retirement contributions to employees who leave the retirement system before attaining or vesting retirement eligibility. These payments are financed on a pay-as-you-go basis from active employees' retirement withholdings and the District's General Fund contribution. The latter payment is known as the net pay-as-you-go.

The management of the Teachers' Retirement Program is based on the following guidelines as established in the D.C. Retirement Reform Act (P.L. 96-122):

- The District payment to each fund for the fiscal year is determined by the most recent valuation submitted by the enrolled actuary.
- The amount is appropriated and transferred to the Teachers' Retirement Fund in equal quarterly prepayments.
- The annual budget must include the actuarially-determined net pay-as-you-go and inflation/amortization payments.
- In order to limit the unfunded liability of the Teacher's Retirement System, an annual inflation/amortization payment must be made to the fund, subject to a cap of 30 percent of net pay-as-you-go.
- The District is required to make an actuarially-determined level of amortization payment whenever a benefit change increases the present value of benefits payable from the fund. The benefit change amortization payment is based on a period not to exceed twenty-five years.

Program Budget Summary

FY 1994: The FY 1994 proposed budget of $98,600,000 consists of: $87,800,000 net pay-as-you-go payments (gross retirement payments less active employee retirement withholdings), $10,000,000 inflation/amortization payments, and $800,000 for plan benefit changes effected by the D.C. Spouse Equity Act. This budget reflects a decrease of $200,000 from the FY 1993 revised budget.

FY 1993 Revised: The FY 1993 revised budget of $98,800,000 is consistent with the FY 1993 actuarially-determined budget.

Teachers' Retirement System

Budget Strategy & Impacts

The FY 1994 proposed budget reflects a decrease of $200,000 from the FY 1993 revised budget. With its limited resources, the District can not continue future contributions at the current level. District strategies call for a shared solution with the Federal government, organized labor and other parties to institute reforms to reduce the District's unfunded liability.

Table I **Agency Staffing and Funding Detail**

Programs	Staffing (FTE Positions)				Funding			
	FY92 Actual	FY93 Budget	FY93 Revised	FY94 Proposed	FY92 Actual	FY93 Budget	FY93 Revised	FY94 Proposed
Teachers' Retirement and Annuity Payments	0.0	0.0	0.0	0.0	84,200,000	98,800,000	98,800,000	98,600,000
Total Agency	0.0	0.0	0.0	0.0	84,200,000	98,800,000	98,800,000	98,600,000
Appropriated Funds	0.0	0.0	0.0	0.0	84,200,000	98,800,000	98,800,000	98,600,000
Federal Funds	0.0	0.0	0.0	0.0	0	0	0	0
Intra-District Funds	0.0	0.0	0.0	0.0	0	0	0	0
Other Funds	0.0	0.0	0.0	0.0	0	0	0	0

Table II **Agency Outputs**

Measures	FY 1991	FY 1992	FY 1993	FY 1994
Number of Service Retirements on the Rolls	2,766	3,028	2,825	3,145
Average Service Annuity	25,977	26,874	28,639	29,629
Number of Disability Retirements on the Rolls	570	581	590	603
Average Disability Annuity	19,094	19,561	21,051	21,566
Number of Survivors on the Rolls	367	379	375	394
Average Survivors Annuity	11,501	11,545	12,679	12,729

Teachers' Retirement System

Table III **Agency Appropriated Summary by Expenditure Type**

Expenditure Type	Staffing (FTE)				Funding			
	FY 92 Actual	FY 93 Budget	FY 93 Revised	FY 94 Proposed	FY 92 Actual	FY 93 Budget	FY 93 Revised	FY 94 Proposed
Personal Services								
Regular Pay	0.0	0.0	0.0	0.0	0	0	0	0
Other Pay	0.0	0.0	0.0	0.0	0	0	0	0
Additional Gross Pay	0.0	0.0	0.0	0.0	0	0	0	0
Fringe Benefits	0.0	0.0	0.0	0.0	0	0	0	0
Total Personal Services	0.0	0.0	0.0	0.0	0	0	0	0
NonPersonal Services								
Supplies					0	0	0	0
Energy					0	0	0	0
Communications					0	0	0	0
Building Rent					0	0	0	0
Other Services & Charges					0	0	0	0
Subsidies & Transfers					84,200,000	98,800,000	98,800,000	98,600,000
Equipment					0	0	0	0
Total NonPersonal Services					84,200,000	98,800,000	98,800,000	98,600,000
TOTAL AGENCY	0.0	0.0	0.0	0.0	84,200,000	98,800,000	98,800,000	98,600,000

University of the District of Columbia

Agency Overview

Mission

The University of the District of Columbia (UDC) is an urban land-grant institution established to improve the quality of life, by meeting higher education needs and aspirations of the residents of the District of Columbia, at the lowest possible cost. The University is committed to teaching, engaging in research and providing extension services to residents of the District of Columbia.

Agency Description

The University accomplishes its mission by teaching, engaging in basic and applied research, preparing students for careers, and by providing a wide variety of services through the Cooperative Extension Service. In addition, to ensure the success of its students, UDC provides financial aid and counseling services through Student Affairs.

The major program areas of the University include:

- Academic Affairs -- provides instructional services through the five colleges and Continuing Education component of UDC. In addition, testing and tutorial services are provided through the University College.

- Student Affairs -- administers student financial assistance, coordinates student government activities, provides student counseling services and encourages student participation in intercollegiate athletic activities.

- Institutional Advancement -- produces educational programs through the public service cable television station. Provides leadership for a public radio station, encourages alumni participation and financial support, and markets the university to potential students and private donors.

- Executive Direction -- through the president, this program provides leadership for administrators of each of the programs. This program also audits university activities and advises managers on legal matters.

- Administrative Services -- assists in accomplishing the university's mission by developing capital plans and budgets, and managing human resources and physical plant operations.

- Finance and Budget -- develops budgets and furnishes the internal and external communities with financial reports.

University of the District of Columbia

Agency Budget Summary

FY 1994: The total budget for all funding sources in FY 1994 is $111,454,520 and 1,405 FTEs which reflects an increase of $15,324,623 and a decrease of 62 FTEs over the total revised FY 1993 budget. The appropriated request for FY 1994 is $65,739,000 and 1,315 FTEs. This request represents a decrease of $2,057,000 and 67 FTEs from the revised FY 1993 budget. The non-appropriated budget for FY 1994 is $45,715,520 and 90 FTEs, an increase of $17,381,623 and 5 FTEs.

FY 1993 Revised: The total FY 1993 revised budget request is $96,129,897 and 1,467 FTEs, a decrease of $4,199,000 and 20 FTEs,.from the approved FY 1993 budget. The appropriated FY 1993 revised budget request is $67,796,000 and 1,382 FTEs which is a decrease of $4,199,000 and 20 FTEs. The nonappropriated FY 1993 revised budget is $28,333,897 and 85 FTEs which has not changed from the approved FY 1993 Budget. The University has indicated the following reduction in the appropriated funding:

FY 1994

- No provision for within grades.
- An increase of $480,000 for health benefits.
- A reduction of five faculty positions and a reduction in grade of three other faculty positions for $421,000.
- A reduction of 17 staff positions and $566,000.
- A reduction of $350,000 in Other Services.
- A reduction in the electricity budget of $45,000..
- A reduction of $250,000 in the budget for telephones..
- A reduction of $2,700,000 for positions that will be eliminated in a reduction-in-force (phase II of Management Plan II).
- Elimination of $250,000 for the university's self-study and program review exercise.
- Support approximately, $2,175,000 of the University's appropriated expenditures with income from nonappropriated revenue.

University of the District of Columbia

FY 1993 Revised

- An increase of $198,000 for health benefits.
- A reduction of $1,875,000 for furlough reductions.
- A reductions of $2,107,000 in building rent..
- A reduction of $414,200 for positions that will be eliminated in the reduction-in-force to be implemented in the current fiscal year.

Budget Strategy and Impact

Strategy: The University of the District of Columbia is the District's equivalent "State University". and as such, 85% of its students are residents of the District of Columbia. Like other universities, the academic integrity of programs at UDC is its highest priority. To maintain a highly qualified faculty and provide adequate instructional support, it is recommended that options and policies regarding tuition, collaborative ventures with District and Federal agencies, and research and program grants, as well as, administrative support operations are pursued. UDC is currently having discussions with the D.C. Law School on the possibility of consolidating operations and services. The Board of Directors recently approved a tuition increase for the School Year 1994 of 20%. The proposed FY 1994 appropriation will reduce the District's subsidy for students by $442 per student from a revised FY 1993 level of $9,675 per student to $9,233 per student. Successful implementation of any variation of the recommendation should provide adequate funding to supplement the reduction in the proposed appropriated funding.

Impact: Implementing measures to enhance revenue generation and streamline administrative and support operations, the university will maintain operations at the current levels.

Table I **Agency Staffing and Funding Detail**

Programs	Staffing (FTE Positions)				Funding			
	FY92 Actual	FY93 Budget	FY93 Revised	FY94 Proposed	FY92 Actual	FY93 Budget	FY93 Revised	FY94 Proposed
Executive Direction	27.9	20.0	20.0	21.0	1,908,997	1,458,000	1,432,798	1,509,605
Academic Affairs	820.3	1,036.0	1,041.0	1,001.0	61,146,096	58,797,572	58,500,021	67,547,621
Student Affairs	91.5	100.0	98.0	92.0	7,046,259	8,146,475	7,917,398	11,661,652
Institutional Advancement	40.5	31.0	25.0	28.0	2,232,082	2,315,850	1,866,845	2,534,392
Administrative Services	197.6	262.0	246.0	228.0	25,469,051	26,868,000	23,776,000	26,477,047
Finance and Budget	52.9	38.0	37.0	35.0	2,612,786	2,743,000	2,636,835	1,724,203
Policy and Governance	4.1	0.0	0.0	0.0	324,654	0	0	0
Total Agency	1,234.8	1,487.0	1,467.0	1,405.0	100,739,925	100,328,897	96,129,897	111,454,520
Appropriated Funds	973.7	1,402.0	1,382.0	1,315.0	73,495,000	71,995,000	67,796,000	65,739,000
Federal Funds	82.6	0.0	0.0	0.0	7,102,632	0	0	6,659,000
Intra-District Funds	115.9	0.0	0.0	0.0	7,598,494	128,708	128,708	7,230,000
Other Funds	62.6	85.0	85.0	90.0	12,543,800	28,205,189	28,205,189	31,826,520

University of the District of Columbia

Table II — **Agency Outputs**

Measures	FY 1991	FY 1992	FY 1993	FY 1994
Student Enrollment (Headcount)	11,980	11,422	11,578	11,867
Student Enrollment (FTE)	7,222	6,877	7,007	7,120
Degrees Awarded	919	859	902	947

Table V — **Agency Appropriated Summary by Expenditure Type**

Expenditure Type	Staffing (FTE)				Funding			
	FY 92 Actual	FY 93 Budget	FY 93 Revised	FY 94 Proposed	FY 92 Actual	FY 93 Budget	FY 93 Revised	FY 94 Proposed
Personal Services								
Regular Pay	901.0	1,224.0	1,204.0	1,113.0	44,505,210	43,277,166	41,359,558	40,041,380
Other Pay	72.7	178.0	178.0	202.0	4,188,254	3,064,000	2,941,407	3,030,000
Additional Gross Pay	0.0	0.0	0.0	0.0	654,075	100,000	100,000	100,000
Fringe Benefits	0.0	0.0	0.0	0.0	11,312,213	10,710,534	10,924,360	10,584,375
Total Personal Services	973.7	1,402.0	1,382.0	1,315.0	60,659,752	57,151,700	55,325,325	53,755,755
NonPersonal Services								
Supplies					362,233	518,253	342,532	342,532
Energy					1,850,656	1,949,000	1,949,000	1,904,000
Communications					887,824	813,000	813,000	563,000
Building Rent					4,013,544	4,616,000	2,508,000	5,073,570
Other Services & Charges					3,372,792	3,835,947	3,822,043	2,752,043
Subsidies & Transfers					1,040,626	1,152,000	1,077,000	1,077,000
Equipment					1,307,573	1,959,100	1,959,100	271,100
Total NonPersonal Services					12,835,248	14,843,300	12,470,675	11,983,245
TOTAL AGENCY	973.7	1,402.0	1,382.0	1,315.0	73,495,000	71,995,000	67,796,000	65,739,000

OPENING REMARKS
OF
TILDEN J. LEMELLE
PRESIDENT
UNIVERSITY OF THE DISTRICT OF COLUMBIA
AT
PUBLIC HEARING
ON THE
FISCAL YEAR 1993 SUPPLEMENTAL AND
FISCAL YEAR 1994 OPERATING AND CAPITAL
BUDGET REQUESTS
OF THE
UNIVERSITY OF THE DISTRICT OF COLUMBIA
10 A.M., THURSDAY, JUNE 10, 1993
ROOM H-301
U.S. CAPITOL BUILDING
WASHINGTON, D.C.

Chairman Dixon, members of the House Subcommittee on D.C. Appropriations, for the record, my name is Tilden J. LeMelle. I am president of the University of the District of Columbia, the "state" land grant university for the nation's capital.

The university submits for the review of this distinguished body a revised Fiscal Year 1993 appropriated operating budget request of $67,796.000 and 1,382 full-time equivalent positions. This new submission represents a net decrease of $4,199,000 and 20 full-time equivalent positions compared to the FY 1993 university budget of $71,995,000 and 1,402 FTE positions originally approved by the Congress.

UDC also submits for the approval of the committee a FY 1994 appropriated operating budget request of $65,739,000 and 1,315 positions, a net decrease of $6,256,000 and 87 FTE position compared to the FY 1993 base budget iof 71,995,000 and 1,402 FTE position originally approved by the Congress.

Mr. Chairman, the bottom line numbers in our budget requests reflect the results of UDC's always delicate, sometimes difficult bargaining within the city government family. They also reflect the university's responsible behavior once the negotiating was completed.

The '93 supplemental, for example, indicates the university community's commitment to live with a substantial decrease that became necessary in the middle of an academic year. To assist the city in closing a significant gap between income and expenditures, the university imposed a 12-day furlough on all of its employees, enforced a tough spending freeze, and achieved savings on building rentals to absorb mandated cuts.

To reach the negotiated mark required of the university to assist with the District's projected '94 budget shortfall, UDC anticipates the need to: impose another reduction-in-force that is likely to affect 67 position; achieve major telecommunications and energy savings; leave 22 vacancies unfilled, including five faculty positions; reduce dollars in equipment and other services lines; and implement a 20 percent tuition increase, effective Fall Semester 1993.

Prior to the current fiscal year, UDC became fully experienced in the ways of sacrifice and giving. In the most recent past four fiscal years, UDC has sustained a $30.1 million loss of purchasing power. About $15.5 million resulted from reductions to our base; another $14.6 million resulted from the impact of inflation on the dollar's value.

Since FY 1987, the university has undertaken three separate reductions-in-force to free up money for re-direction to support unfunded requirements and the instructional programs of the institution. In the same period, UDC has offered at least two early retirement opportunities, the last of which resulted in net cost savings of about $944,000.

At the beginning of FY 1992, we faced a $7.5 million budget shortfall. We fashioned scores of cost-saving initiatives. Notwithstanding a false account published a few months ago in The Washington Post, UDC ended that budget year, not with an operating loss of $5.2 million, as alleged, but with $808,000 of revenue in excess of expenditures.

The value of our cost-saving initiatives last budget year was in excess of $8 million. Those management initiatives in FY 1992 achieved results so outstanding that we were visited by District government financial people who wanted to know how we did it. The answer was simple: We did it the old fashioned way. We sacrificed, we managed prudently, and we gave until it hurt.

We stopped all out-of-town travel, a troubling circumstance for our faculty; we implemented an Administrative Management Plan, Phase I, which resulted in the elimination of nearly 33 positions and savings estimated at $1.3 million; we froze all hiring; we superimposed a watchdog committee on top of the management structure to scrutinize every request for a purchase; we consolidated all maintenance contracts within a single responsibility center; and we developed activities that generated a few hundred thousand dollars in non-appropriated support.

So the university is not a profligate spender without regard for the imperatives implicit in a soft national and local economy. The university community knows how austerity looks and feels. It has been on its best fiscal behavior.

Even as we come face-to-face with the truth about our troubled economy, we are undertaking an exhaustive review of everything that exists in the academic environment at the university. We seek to develop a more reasoned, planned strategy to achieve cost reductions. We had embarked on this course before the university was pressed to sacrifice its budget resources to help maintain the fiscal health of the city. Our aim always was to gain time for planning, analysis and logical implementation. Never have we sought special treatment of any sort.

The university faculty and others are involved right now in a comprehensive curriculum review that wiil lead to long-needed academic restructuring. Out of that review, we are guaranteed to discover and remedy issues that in the past have hindered the university's progress toward achieving its mission.

The review will identify programs with similar thrusts that stand alone in different administrative structures, thereby adding to costs. For example, our urban studies program is located in one college; urban and regional planning is in another; and architecture is in yet another. It seems obvious to many of us that similarities among the disciplines and the interdependence of subject matter argue strongly for their placement within a single academic unit.

Some of our basic science programs are located in one college while others are situated in another. In many academic structures across the nation. all such sciences programs are settled within a college of arts and sciences.

In addition to addressing the problems of placement, the curriculum review is intended as an opportunity to re-define general requirements, to eliminate duplications, to address the issue of genuine articulation between associate and baccalaureate degree programs, and other matters that have gone unresolved for the 17 years the university has been in existence. The remedies we discover through collegial review and discussion will have the impact on costs that everyone desires for the university.

We remain hopeful that political and economic realities of the day will cede to the university the time it must have to finally root out and solve problems that had been left to fester over time; that we will find more and more allies in our effort to achieve the orderly design of the first class university that UDC was created to be and is well on its way toward being.

The university will continue to reduce undesired costs. At the same time, we will continue to solicit an understanding of the university's need in the short term to redirect the cost savings it achieves into areas that specifically advance the academic mission of the university.

If we do our curriculum review correctly; if we proceed carefully to advance the teaching and learning mission of the university based on what we discover about our opportunities

and our strengths, we will be able to create largely from available appropriated resources and from non-appropriated sources the really comprehensive university the Congress had in mind almost 20 years ago when it acted on the Chase Commission report recommending consolidation of all public higher education in the District of Columbia.

Despite our setback with respect to plans we had for the funds we had saved, we remain hopeful that the resources we are allowed from the appropriation will fully support the university's efforts to implement programs that are parallel with the priorities identified by the mayor. As you know, youth and children, economic development, crime intervention, and quality-of-life improvements for senior citizens continue to be central to the mayor's public service thrusts.

The nearly 1,000 educated men and women graduated by UDC each year are certainly important in the economic development scheme at the most elementary level. UDC alumni typically increase their earning potential when they are awarded a degree. The overwhelming percentage of UDC graduates remain in the area, pay taxes and thereby contribute to the financial stability of the city.

At another level, these educated citizens are more nearly apt to remain aloof from the criminal justice system than those for whom higher education was not a reality, for whatever reason. Nevertheless, the university does not flee the social pathology that often results in human incarceration. UDC still operates its Lorton Prison College program with great success, and the recidivism rate among graduates of that program is less than 15 percent.

Under a contractual agreement UDC signed with the D.C. Department of Human Services, the university's Aftercare Treatment Program is becoming the national model for successfully encouraging continuing sobriety among the addictive personalities who have undergone formal treatment for substance abuses. The UDC program is showing how the integration of counseling and higher education opportunties with traditional aftercare methodology succeeds in enhancing self-esteem among a clientele that often shares in common an inferiority complex born of low educational attainment.

The university's gerontology program under the leadership of Clavin Fields is one of the most respected in the nation. The UDC Institute of Gerontology does work among senior citizens in D.C. that is on the leading edge of national

efforts to improve the quality of life for older Americans.

And we share the mayor's concern for the proper development of children and youth. UDC operates daily, weekend and summer programs for public school youth to enhance their competence in math-based disciplines. Our Saturday Academy, which embraces youngsters from fourth through 12th grades, is the national model cited by NASA and other grantor agencies when citizens and institutions across the nation seek support when they begin skills-enhancement programs outside regular school hours.

Moreover, the university's Center for Applied Research and Urban Policy is a major part of the institutional consortium organized by the National Institutes of Health to finally find answers to the high infant mortality rate, particularly among children born to African American mothers, that has stalked the Washington community for decades. The research center, performing under another contract from a city government agency, recently completed and submitted to its client its findings from a year-long study of the boarder baby phenomenon and the children of substance abusing mothers.

If we had greater resources, we could do even more to address the needs of the citizens who support the university and depend on it to provide opportunities that many never would have otherwise. The university's faculty is on the road to a record-breaking year for bringing in grant funds for research at UDC. Much of their enthusiasm was ignited by an expectation that some indirect costs recovered from grant activity would be recycled back to their colleges to support the research efforts of more faculty.

We are hopeful that the encouragement we began to give to faculty can continue in the future. It can't, though, if we are forced to use every dime we bring in, including indirect cost recovery, simply to pay operating bills. It can if, in this nation, public education from K through graduate studies, becomes the No. 1 priority. All of us know what we need to do to get there. The question is whether or not there is the will in the Body Politic to take the journey.

Ten years ago, the National Commission on Excellence in Education warned the citizens of the United States that "Our nation is at risk. Our once unchallenged preeminence...is being overtaken by competitors throughout the world...the educational foundations of our society are presently being

eroded by a rising tide of mediocrity that threatens our very future as a nation and a people. What was unimaginable a generation ago has begun to occur--others are matching and surpassing our educational attainments."

Ten years later, that finding of fact is just as relevant now as it was then. The problem imbedded in all of the rhetoric we hear from many public policy makers is that the United States has never, ever really valued quality education for **all** of its citizens. That is a harsh assessment, I know, but the history of education in this country--higher education, in particular--underscores the truth of the assertion.

The majority of students served by UDC, for example, would have scant chance to realize their higher education goals if this public postsecondary institution were not located in the District of Columbia. I submit that those in the public sector who are serious about salvaging the human capital that is being squandered in hundreds of ways must make strenuous efforts to identify the resources needed to sustain public higher education in the District of Columbia as the No. 1 priority.

The fact is that we either pay now or pay later. The dollars withheld from necessary investments in UDC today will show up sooner rather than later in the budgets submitted by harried welfare and justice officials. Much is made on occasions of the per-student cost at UDC. I can only point out that the per-client cost at Lorton is more than double the number at UDC.

If tangible support is demonstrated for efforts currently underway at UDC to regenerate itself in the image created for it by Congress and the District of Columbia; if the university and its faculty are sustained by an ungrudging and generous public outpouring of support of all kinds for our current drive toward academic excellence, then the decision-making apparatus that drives this capital city will have seized the leadership of what must become a national commitment to providing unlimited educational opportunity for that one-third of our nation that is soon to dominate the competitive workforce of the United States.

UDC has shown itself to be without peer at taking in non-traditional students from that workforce and turning out scholars prepared to compete toe-to-toe with the best and the brightest the nation has to offer. UDC deserves to survive and thrive as a comprehensive center of higher education

excellence in the nation's capital.

Given our prudent fiscal behavior and our absorptions of base reductions to benefit the city over the past few years, the campus community I represent believes our hope for understanding of our short-term and long-range needs is not misplaced. We're simply asking for the chance to fashion a future for this university and this city in an orderly way. That is precisely what we do; we shape the future of the nation's capital in our classrooms, in our laboratories and in all of our creative spaces.

I appreciate the opportunity to submit a statement in support of the university's request for appropriated support. My colleagues and I at the university are prepared and willing to respond to any questions or concerns you may have.

OPENING STATEMENT
OF
MICHELE V. HAGANS
CHAIRMAN OF THE BOARD OF TRUSTEES
OF THE
UNIVERSITY OF THE DISTRICT OF COLUMBIA
AT
PUBLIC HEARING ON THE
FISCAL YEAR 1993 SUPPLEMENTAL AND
FISCAL YEAR 1994 OPERATING AND CAPITAL
BUDGET REQUESTS
OF THE
UNIVERSITY OF THE DISTRICT OF COLUMBIA
10 A.M., THURSDAY, JUNE 10, 1993
U.S. HOUSE OF REPRESENTATIVES
COMMITTEE ON APPROPRIATIONS
DISTRICT OF COLUMBIA SUBCOMMITTEE
ROOM H-301
U.S. CAPITOL BUILDING
WASHINGTON, D.C.

Good morning, Mr. Chairman. For the record, my name is Michele V. Hagans, chairman of the Board of Trustees of the University of the District of Columbia. I am privileged to to have this opportunity to offer my support for the university's request for full funding of its budget as submitted to this august body.

One year ago, our new president, Tilden J. LeMelle, testified before this committee for the first time. Dr. LeMelle is an outstanding scholar and administrator in the field of public higher education. He came to UDC with a distinguished record of professional accomplishments and a solid reputation as a leader with vision and commitment to excellence in education. In short, he is a veteran educator and I believe after his initial experiences with UDC's fiscal realities, we can accurately call him a "battle-scarred" veteran.

From the beginning of his administration, Dr. LeMelle has earnestly sought to balance fiscal responsibility with his obligation to our students and to the residents of this city to move the university forward. He began by introducing a number of management initiatives that included more stringent controls over expenses and other changes in the fiscal system that allowed the university to enter Fiscal Year 1992 with a surplus and a plan to begin to pump some nourishment into three important academic areas where help was needed.

Number one, Dr. LeMelle had identified one million dollars for faculty recruitment in critical areas where position vacancies existed.

Number two, for the first time in its history, the university was prepared to create a fund to permit its graduate students to work as paid teaching assistants and research assistants--a common practice throughout American higher education.

And number three, the university proposed to decrease its dependency on indirect recovery monies as support for basic university-wide operations by returning a percentage of those revenues to the colleges whose faculty members brought the money in through grants. If events had permitted it, that would have been a liberating moment for many of our creative, hardworking faculty.

However, given the serious fiscal constraints experienced by the District of Columbia government, the university was compelled to return those anticipated savings to the city treasury. As a result, those three efforts to improve the university's academic life had to be set aside. Our new president's efforts to redirect university resources to shore up areas of need ran into a dead end.

And now, today, we find ourselves in the unusually frustrating position of trying to plan for Fiscal 1994, while facing a District government demand to implement further drastic reductions in our spending plan for the current year. Our hope is to find other belt-tightening management initiatives that will get us through the 1993-94 academic year without doing further damage to our academic programs.

We are confident that the university administration will succeed in its efforts to operate with a balanced budget by reducing non-academic costs while at the same time protecting the academic mission of the university.

My major purpose here today is to express the support of the UDC Board of Trustees for our chief executive officer and for the essential needs budget he will defend. As Dr. LeMelle will explain, he has appropriately named this budget our "budget of hope."

Thank you for your courtesy. I would now like to yield to the president of the University of the District of Columbia, Dr. Tilden J. LeMelle.

District of Columbia School of Law

Agency Overview

Mission

The mission of the District of Columbia School of Law is to operate a full time, fully accredited program of lawyer education targeting under represented groups in the legal profession and provide free legal services to indigent District residents.

Agency Description

The School of Law's mission is achieved through: the recruitment and selection of qualified students; recruiting and securing the services of competent faculty to instruct students and represent clients and developing and maintaining a current library collection which supports the programs of study and litigation advanced at the School of Law. Additionally, the School of Law provides the community with varied opportunities for law related education and will continue to do so in the future.

The work of the School of Law is carried out through the following programs/offices:

- Student Services - determines the eligibility for and recommends levels of student financial aid, provides transcript services, recruits and admits qualified students to the School of Law and provides career development and other counseling services.

- Library - develops and maintains a collection of legal research tools and other information systems that support faculty, student study and litigation. This program also provides assistance to School of Law employees, students, and to the general public.

- Teaching Services - plans and implements the program of legal study and client service provided at the School of Law.

- Administration - provides the general support and management of all School of Law activities.

Agency Budget Summary

FY 1994: The total budget from all funding services in FY 1994 is $6,001,000 and 78 FTEs which reflects a $495,000 increase over the revised FY 1993 budget. The appropriated request for FY 1994 is $4,500,000 and 65 FTEs the same as the revised FY 1993 budget. The non-appropriated budget for FY 1994 is $1,501,000 and 13 FTEs, an increase of $495,000 above the revised FY 1993 level. Increase in private funds of $211,000 are due to an increased activity level in grant proposal development. In 1994, student enrollment is expected to peak at 300 students. Tuition revenue is projected to increase by $284,000, as a result of the enhanced ability of students to pay. This is a direct consequence of their being eligible for guaranteed federal financial aid.

District of Columbia School of Law

Major changes in FY 1994 budget include the following:

- Funding the $284,000 cost of updating the law library collection from the increased tuition collections.

- Funding of $211,000 for specific authorized FTEs required to advance Teaching and Student Services towards full compliance with the American Bar Association accreditation standards.

FY 1993 Revised: The revised FY 1993 appropriated request is $4,500,000 and 65 FTEs, which is the same as the original FY 1993 Request.

Major changes include the following.

- FY 1993 Furlough Reduction - A total of $77,000 will be reduced from personal services. This amount represents the estimated savings to be generated from employee furloughs.

- FY 1993 Within-Grade Reductions - Cancellation of step increases resulted in a $1,000 reduction from personal services.

- Health Benefits Increase - An increase of $9,000 is budgeted for the period January 1, 1993 through September 30, 1993.

Budget Strategy and Impact

Strategy: The School of Law, a developing educational institution, must continue to be in substantial compliance with the American Bar Association (ABA) accreditation standards to maintain provisional accreditation and secure full accreditation at the earliest possible time. The School of Law must demonstrate consistency in the operation of all base line systems and significant progress towards full compliance with accreditation standards in order to secure full accreditation status. The School of Law must maintain existing staff and program levels and succeed at securing substantial additional funding to support additional staff and equipment acquisitions essential to satisfying accreditation standards fully.

Impacts: The level of appropriated funding for the D.C. School of Law is the same in FY 1993 and FY 1994. Therefore, the School of Law will maintain consistency in the operation of all base line systems and provide a $495,000 increase in non-appropriated funding towards meeting compliance with accreditation standards.

District of Columbia School of Law

Table I

Agency Staffing and Funding Detail

Programs	Staffing (FTE Positions)				Funding			
	FY92 Actual	FY93 Budget	FY93 Revised	FY94 Proposed	FY92 Actual	FY93 Budget	FY93 Revised	FY94 Proposed
Administration	13.8	0.0	19.0	19.0	2,490,218	2,322,154	2,447,154	2,677,154
Student Services	6.4	0.0	14.0	7.0	498,052	606,000	599,000	636,000
Library	9.7	0.0	15.0	15.0	965,021	934,000	859,000	863,000
Teaching Services	25.2	0.0	30.0	37.0	1,700,066	1,643,846	1,600,846	1,824,846
Total Agency	55.1	0.0	78.0	78.0	5,653,357	5,506,000	5,506,000	6,001,000
Appropriated Funds	36.7	0.0	65.0	65.0	4,293,065	4,500,000	4,500,000	4,500,000
Federal Funds	0.0	0.0	0.0	0.0	0	0	0	0
Intra-District Funds	0.0	0.0	0.0	0.0	94,000	0	0	0
Other Funds	18.4	0.0	13.0	13.0	1,266,293	1,006,000	1,006,000	1,501,000

Table II

Agency Outputs

Measures	FY 1991	FY 1992	FY 1993	FY 1994
Grants: Residents	161,363	176,000	183,921	193,117
Grants: Non-Residents	161,988	156,000	231,900	231,975
Loans: Residents	0	324,000	998,551	1,048,478
Loans: Non-Residents	13,000	298,000	1,074,200	1,014,277
Students Enrolled: Residents	83	123	146	150
Students Enrolled: Non-Residents	76	92	114	150

District of Columbia School of Law

Table V **Agency Appropriated Summary by Expenditure Type**

Expenditure Type	Staffing (FTE)				Funding			
	FY 92 Actual	FY 93 Budget	FY 93 Revised	FY 94 Proposed	FY 92 Actual	FY 93 Budget	FY 93 Revised	FY 94 Proposed
Personal Services								
Regular Pay	32.4	0.0	65.0	65.0	1,473,534	1,705,000	1,628,000	1,705,000
Other Pay	4.4	0.0	0.0	0.0	197,397	0	0	0
Additional Gross Pay	0.0	0.0	0.0	0.0	26,447	0	0	0
Fringe Benefits	0.0	0.0	0.0	0.0	322,468	304,000	304,000	304,000
Total Personal Services	36.8	0.0	65.0	65.0	2,019,846	2,009,000	1,932,000	2,009,000
NonPersonal Services								
Supplies					29,927	36,000	36,000	36,000
Energy					60,000	102,000	102,000	102,000
Communications					50,000	45,000	45,000	45,000
Building Rent					1,192,834	1,380,000	1,380,000	1,380,000
Other Services & Charges					327,209	292,000	292,000	259,000
Subsidies & Transfers					138,500	250,000	250,000	250,000
Equipment					474,748	386,000	463,000	419,000
Total NonPersonal Services					2,273,218	2,491,000	2,568,000	2,491,000
TOTAL AGENCY	36.8	0.0	65.0	65.0	4,293,064	4,500,000	4,500,000	4,500,000

MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE:

Thank you for this opportunity to present the Subcommittee on the District of Columbia of the House of Representatives Appropriations Committee with information about the District of Columbia School of Law (DCSL). I will use this prepared statement to review for you the progress that we continue to make towards the development of a high quality law school and to request your approval of our FY 1994 budget of $4.5 million as appropriated by the Council of the District of Columbia.

In prior testimony, I have informed the Committee about the basic facts concerning the School of Law, including its mission and history, the operation of our educational programs and the content of our legal clinics, the physical facilities, the law library, and a statistical profile of the faculty and student body. I will not repeat that basic information in this submittal. Rather, I take this occasion to highlight some of the recent developments at the School of Law.

Since February 12, 1991, the School of Law has been provisionally accredited by the American Bar Association (ABA) and is subject to annual ABA inspection. The ABA conducted an inspection this spring and we are still waiting to receive the official inspection report. The final report will undoubtedly contain many helpful recommendations. However, the comments by members of the inspection team during the exit interview confirm my impression that DCSL has made important progress since the last visit by the ABA.

On May 23, 1992, we graduated our third class of students. I am proud to report that the Honorable William Benson Bryant, a senior judge of the United States District Court for the District of Columbia, and Mr. Ralph Nader participated in the graduation and accepted honorary degrees. Mr. Nader presented the commencement address. In addition, honorary degrees were awarded posthumously to two distinguished members of DCSL's Board of Governors who passed away during the school year: Joseph L. Rauh, Jr., and Thomas A. Duckenfield.

The 1993 graduates are currently preparing to sit for the bar examination. I am proud to report that over sixty percent of our graduates have already passed the bar. While we expect to experience ups and downs in this area, this is an outstanding performance for a brand new law school. Nevertheless, faculty and administration continue to work with students and alumni to maintain and improve our results in this critical area.

FACULTY AND ADMINISTRATION

During this past year, DCSL has been extraordinarily fortunate in the addition of several very talented individuals to our administration and faculty. They are Professors Leah F. Chanin, Homer C. La Rue, and William C. Pryor. Professor Chanin, who now serves as Director of our Law Library, is a former President of the American Association of Law Librarians and a recognized legal scholar and teacher. She has already greatly increased our library services both to DCSL and to the D.C. Bar. Professor La Rue joined us as Director of Clinical Programs. He too is also a nationally recognized scholar and teacher who has previously taught at C.U.N.Y. and the University of Maryland Law Schools. Finally, an old friend joined us on a full-time basis. Professor Pryor, former Chief Judge of the D.C. Court of Appeals, this year taught courses in the Criminal Law, Criminal Procedure, and Evidence. He is an outstanding teacher and is already beloved by the entire DCSL Community.

We have also added a Director of Placement, an Associate Registrar and additional classroom and clinical faculty to meet the needs of our increasing student body and clinical clients. And we will bring on additional faculty members next fall as the size of our student body continues to grow.

THE STUDENT BODY

This year we had 240 students currently enrolled, up from 215 last year. Approximately half were women, half were minority and half were District residents. The average age was about 30. They hailed from dozens of colleges and universities and a significant number have earned post graduate degrees. In the next few paragraphs I will give just a few highlights of student activities this year.

Students have been hard at work on the second and third volumes of the DCSL Law Review. These issues, which will address housing and gender bias topics, will feature articles by prominent national and local scholars and practitioners, and by students. I will send you copies of these volumes when they are published.

During the past year some students did internships in the Department of Justice, Legal Aid Society, National Labor Relations Board, Office of Corporation Council Civil Litigation and Family Divisions, Trial Lawyers for Public Justice, the Federal Maritime Commission, the Naval Research Laboratory, and throughout the Federal and local court systems in the District of Columbia.

This year three DCSL student representatives participated in the regional and national meeting of the 11th Circuit of the

American Bar Association/Law Students Divisions where they voted on resolutions regarding critical issues of the day in the areas of non-discrimination, freedom of (reproductive) choice, arbitrary exclusion of homosexuals from the military academic freedom.

Students also attended lectures, as well as more informal presentations at the School of Law, made by a wide variety of speakers including, Harvard Professor Derrick Bell, Congressman Alcee Hastings, Representative Eleanor Holmes Norton, and several others.

Perhaps the thing that makes me most proud of our students is the wide-spread commitment to community service over and above school and clinical work which so many of them share. As one example, I recently received a letter from Hugh Brien, the Acting Director of the Catholic Legal Immigration Network. Mr. Brien strongly commended the work of four DCSL students who spent their two week mid-year break in a Florida legal clinic preparing political asylum applications for Haitian refugees.

I also want to report that the District of Columbia School of Law continues to attract an increasing number of applicants. Once again we have a substantially higher rate of applications to the School of Law than this time last year. In addition, our applicant's scores continue to rise based on traditional grade point average (GPA) and Law Student Admissions Tests (LSAT).

THE CLINICAL PROGRAMS

DCSL received a grant in the maximum amount allowed from the Legal Services Corporation to continue the development of the special education component of our Juvenile Clinic. DCSL also continued its Legislation Clinic under the joint supervision of Professors David A. Clarke, former Chairman of the Council of the District of Columbia, and Robert L. Burgdorf, Jr., one of the leading experts on the Americans with Disabilities Act. Some eighty (80) students have now participated in the clinic on either the Federal or District side and have worked on an impressive array of important legislation potentially affecting millions of citizens. In addition, DCSL continued to operate Legal Clinics in the areas of Housing and Consumer, Public Entitlement, HIV and Government Accountability.

LAW LIBRARY

Cataloguing of the collection continues to progress as planned and library staff provides excellent support to faculty, students and community users of the DCSL collection. Under the leadership of Professor Chanin, the law library now has three major components of an automated library utilization and management system. There

is now an on-line catalog that all faculty members can access from the computers in their offices and which students and visitors can access through computer terminals stationed throughout the building. The library continues to build a media capability and it has expanded the number of computers available to students in the school's Learning and Research Center.

ALUMNI

DCSL alumni have accepted employment in judicial clerkships for the Chief Judge of the Federal District Court, in the District of Columbia Court of Appeals and in the Superior Court of the District of Columbia. They also may be found at the Office of Corporation Counsel, the Council of the District of Columbia, the Lawyers Committee for Civil Rights Under the Law, the Public Defender Service, the Day Laborers Assistance Project and throughout the public and private interest sectors.

Because our enabling legislation provided that graduates of the Antioch School of Law would become alumni of the District of Columbia School of Law, our new graduates join a distinguished group of legal practitioners here in the District. This year, the alumni held an election and voted for an alumni member of DCSL's Board of Governors. The work done to identify and contact our individuals for assistance in fundraising, job placement, internship placement, recruitment, tutoring and in other areas. While we are in the earliest stages of building an effective alumni organization, we believe that an organized and involved alumni will greatly benefit our school.

DCSL FACILITY

There has been progress on the acquisition of a permanent facility. The city has approved the use of $2 million of the school's capital budget this year, which has enabled us to get started. The Mayor's Office also has certified that it does not have a suitable facility presently available. To manage the new building project, which is a major undertaking, DCSL expects shortly to appoint a capital project officer who will expedite site location activity and manage the construction contract and implementation phases of the project. The project manager also will work with the school's Building Committee to assure that different needs of the school are met in the construction or renovation of the permanent facility. Acquisition of a permanent facility is a prerequisite for final accreditation by the ABA.

DCSL FY 1993 SUPPLEMENTAL OPERATING BUDGETS

The approved budget for the District of Columbia School of Law

for FY 1993 is $4,500,000. The Mayor proposed a reduction in the FY 1993 Appropriated Budget from the Congressionally approved $4,500,000 to $4,363,000. Because DCSL is still a developing institution with a significantly increased student body this year, and because of express budgetary concerns raised by the ABA, DCSL simply could not absorb any additional reduction in funding during the current year. The Council of the District of Columbia restored the original authorization.

In order to meet the ABA concerns, DCSL requested an FY 1994 Appropriated Budget of $4,500,000, which together with the non-appropriated budget of $1,850,000, will total $6,350,000. This amount reflects an increase of just $77,000 in appropriated funding to restore the personnel costs of the furlough program and of $495,000 in non-appropriated funding, largely made up of anticipated tuition and grant income. The Council of the District of Columbia approved the School of Law's request for its operating budget for FY 1994.

As we said in our statement to you last year, we are keenly aware of the very serious financial crisis faced by the District of Columbia. In addition to delaying key expenditures, the School of Law has taken other steps in an effort to minimize the need for additional appropriated funding in this and future fiscal years. We have contracted a local firm to help plan fundraising campaigns. We have increased our efforts to obtain grant awards. And as noted above, DCSL has begun the process of organizing its alumni and will ask graduates to provide funding for a variety of general and specific purposes.

It is important to emphasize, however, that the country is in a serious recession and discretionary federal and private funding is at extremely low levels. Demand is higher than ever before. In addition, DCSL is a new program without any significant commitment from funding sources. Under these circumstances, the School of Law simply cannot count on grant funding to support any component of its academic program . Further, DCSL graduates are just one or two years out of law school and burdened with school loans and other debt. Antioch graduates for the most part must be induced to bond with the new school. Neither group can be expected to make substantial contributions at this time.

The FY 1993 Appropriated Budget Supplemental request of $4,500,000 million and the FY 1994 Appropriated Budget request of $4,500,000 million are directly tied to the costs necessary to address the concerns raised above and to maintain ABA Accreditation. Pursuant to Rule 9 of the Policies of the ABA Council of the Section of Legal Education and Admissions to the Bar and of the Accreditation Committee, provisional approval is premised on the School's demonstration that it will be "in full compliance with the ABA standards within three years after receiving provisional approval."

Our goal is to secure final approval at the earliest time possible under the ABA standards. This will take hard work on our part to fully develop and implement our programs and policies. It will also require a baseline level of appropriated funding.

With this goal in mind, I urge the Committee to approve the appropriation by the Council of the District of Columbia of $4,500,000 for the FY 1993 Supplemental and FY 1994 Operating Budgets.

CONCLUSION

On behalf of the Board of Governors, the faculty, and the students of the District of Columbia School of Law, I thank the Committee for this opportunity to describe our progress towards becoming a fully accredited public School of Law. I urge the Committee to support our budgets as approved by the Council of the District of Columbia.

Education Licensure Commission

Agency Overview

Mission

The mission of the Education Licensure Commission is to protect the residents of the District of Columbia from substandard educational programs at the postsecondary level; and to protect employers from fraudulent educational credentials.

Agency Description

The commission was established in 1976 by D.C. Law 1-104, which transferred to it licensure functions delineated by the Congress in 1901. To achieve its mission, the commission licenses, approves or oversees all postsecondary educational institutions in the District. The commission has five (5) statutory functions, which are financed by appropriated and federal funds, and supported by the administrative unit. These functions are to serve as:

- the state licensure agency for private colleges and universities in the District,
- the state approving agency for postsecondary educational programs enrolling veterans,
- the state licensure agency for non-degree trade and technical schools,
- the repository of last resort for the records of schools in the District that close, and;
- the grantor of conditional exemptions from licensure to colleges and universities chartered by the Congress and to other off-campus educational programs

Agency Budget Summary

FY 1994: The total budget, from all funding sources in FY 1994, is $582,000 with 7 full-time equivalent (FTE) positions. The FY 1994 appropriated budget request is $492,000 and 5 FTEs, an increase of $6,000 from the revised FY 1993 budget. The FY 1994 non appropriated budget request is $90,000 and 2 FTEs, which is the same funding level as revised FY 1993.

FY 1993 Revised: The revised appropriated FY 1993 request is for $486,000 and 5 FTEs, an increase of $246,000 from the approved FY 1993 budget. The increase was for increased rent expense. The FY 1993 revised federal request is $90,000 and 2 FTEs, which is the same funding level as the original FY 1993 request.

Budget Strategy & Impacts

Strategy: The commission's first priority is to conduct site evaluation visits to licensed institutions and to institutions seeking licensure. It will emphasize visits to the non-degree trade and technical schools because these schools, more than the degree-granting institutions, tend to be unstable financially; and many have high student loan default rates. In its mission to protect D.C. residents from substandard postsecondary education, the commission will conduct thorough reviews of all postsecondary educational institutions operating in the District.

Education Licensure Commission

The commission's second priority for FY 1994 is to continue to process requests for student transcripts from the records (of closed schools) on file at the commission.

Table I **Agency Staffing and Funding Detail**

Programs	Staffing (FTE Positions)				Funding			
	FY92 Actual	FY93 Budget	FY93 Revised	FY94 Proposed	FY92 Actual	FY93 Budget	FY93 Revised	FY94 Proposed
D.C. Education Licensure Commission	7.3	11.0	7.0	7.0	530,141	330,000	576,000	582,000
Total Agency	7.3	11.0	7.0	7.0	530,141	330,000	576,000	582,000
Appropriated Funds	5.2	9.0	5.0	5.0	451,646	240,000	486,000	492,000
Federal Funds	2.1	2.0	2.0	2.0	78,496	90,000	90,000	90,000
Intra-District Funds	0.0	0.0	0.0	0.0	0	0	0	0
Other Funds	0.0	0.0	0.0	0.0	0	0	0	0

Table II **Agency Outputs**

Measures	FY 1991	FY 1992	FY 1993	FY 1994
Initial School Licenses	20	18	13	15
Renewal School Licenses	58	60	62	68
Agents' Licenses	60	54	43	48
Transcripts Processed	300	280	250	250

Education Licensure Commission

Table III **Agency Appropriated Summary by Expenditure Type**

Expenditure Type	Staffing (FTE)				Funding			
	FY 92 Actual	FY 93 Budget	FY 93 Revised	FY 94 Proposed	FY 92 Actual	FY 93 Budget	FY 93 Revised	FY 94 Proposed
Personal Services								
Regular Pay	5.2	9.0	5.0	5.0	175,625	175,000	165,000	173,000
Other Pay	0.1	0.0	0.0	0.0	2,222	0	0	0
Additional Gross Pay	0.0	0.0	0.0	0.0	4,761	0	0	0
Fringe Benefits	0.0	0.0	0.0	0.0	25,243	29,000	30,000	32,000
Total Personal Services	5.3	9.0	5.0	5.0	207,851	204,000	195,000	205,000
NonPersonal Services								
Supplies					1,801	5,000	5,000	2,000
Energy					0	0	0	0
Communications					3,881	4,000	4,000	3,000
Building Rent					215,922	0	255,000	255,000
Other Services & Charges					22,192	27,000	27,000	27,000
Subsidies & Transfers					0	0	0	0
Equipment					0	0	0	0
Total NonPersonal Services					243,796	36,000	291,000	287,000
TOTAL AGENCY	5.3	9.0	5.0	5.0	451,647	240,000	486,000	492,000

COMMITTEE ON APPROPRIATIONS
U.S. HOUSE OF REPRESENTATIVES
DISTRICT OF COLUMBIA SUBCOMMITTEE
HEARING ON
THE BUDGET REQUESTS OF
THE EDUCATION LICENSURE COMMISSION
FY 1993 SUPPLEMENTAL AND FY 1994

OPENING STATEMENT

Steven J. Diner, Ph.D.
ELC Chairperson

I am Steven Diner, Chairperson of the Education Licensure Commission. With me is the Executive Director, Dr. Shirley Graham Evans. We appreciate the opportunity to testify on the Commission's budget.

The Commission consists of five citizen members, each appointed by the Mayor for no more than two consecutive three-year terms. The members elect the officers of the Commission each year. This year, the Vice Chairperson is Dr. Douglas G. Glasgow; the Secretary is Ms. Jeweline Fuller Hill; Dr. Jerome S. Paige and Dr. Bettye J. Gardner serve as Commissioners.

The Commission performs five primary functions. It licenses all postsecondary institutions offering courses which carry credits toward a college degree in the District of Columbia or at a foreign location under a District of Columbia license; it grants conditional exemptions to colleges and universities operating under a congressional charter; it licenses non-degree trade and technical schools operating in the District; it serves as the repository of last resort for the records of schools in the District that close; and it serves as the state approving agency for District institutions in which students receive veterans educational benefits.

The Commission is making excellent progress in two important areas -- the establishment of effective consumer protection regulations for non-degree trade and technical schools, and the simplification and streamlining of the licensure process for degree-granting institutions. In November 1988, the Commission assumed responsibility for the licensing of postsecondary non-degree schools, previously licensed by the Department of Consumer and Regulatory Affairs. The lack of adequate state regulation of proprietary schools, especially those which administer student federal financial assistance, has become a major national issue, however, the change of responsibility as indicated above has dramatically improved the government's oversight and regulation of these institutions. New regulations for non-degree schools drafted by the Commission went into effect on October 19, 1990. These regulations for the first time mandate that the schools have admission standards which insure that those who begin a program have a reasonable prospect of being able to complete it, and they require schools to submit information to the Commission on their placement rates. The regulations establish other educational requirements, as well. The staff of the Commission now visits these schools at regular intervals.

Perhaps most importantly, students with complaints against particular schools have been turning to the Commission for assistance. The Commission staff is usually able to achieve satisfactory resolution of individual complaints. But sometimes in the course of investigating student complaints, the Commission learns of a more fundamental problem at a particular school, and with the new regulations, it now deals quickly and effectively with these problems.

We are continuing to simplify and make more effective our regulation of degree-granting institutions. Through an amendment of the licensure law and new regulations drafted by the Commission, we have been taking advantage of the accreditation process in our monitoring of well established institutions, thereby eliminating unnecessary travel and site visits and the attendant costs on the schools. Consistent with this effort, we are also considering legislative proposals that would provide conditional exemption from licensure for Washington internship programs that host students from institutions across the country but do not award academic credit themselves. We are also studying the Commission's statutory responsibility to license school agents, to see whether it is necessary to protect educational consumers and whether it is cost effective, and we may be proposing further amendments to the licensure law when our review is completed.

In short, the dual thrust of the Commission is to devote more of our resources and energy to tightening oversight and regulation of those institutions where consumer problems are most common, and to simplify the regulation of well-established schools in which there are few, if any, problems for District of Columbia students.

Dr. Evans will speak briefly about the budget request. I will be pleased to answer your questions about policy matters. Thank you.

COMMITTEE ON APPROPRIATIONS
U.S. HOUSE OF REPRESENTATIVES
DISTRICT OF COLUMBIA SUBCOMMITTEE
HEARING ON
THE BUDGET REQUESTS OF
THE EDUCATION LICENSURE COMMISSION
FY 1993 SUPPLEMENTAL AND FY 1994

OPENING STATEMENT

Shirley Graham Evans, Dr. P.H.
Executive Director

I am Shirley Graham Evans, Executive Director of the Commission.

The revised FY 1993 budget request is $486,000. There will be an increase of $246,000 in the appropriation approved by the Congress ($240,000). This increase was allotted to reinstate the office rent. Simultaneously, the Commission will absorb a variety of reductions in personal services and in non-personal services. There will be no significant disruption of services, except for some longer response times.

The FY 1994 appropriated budget request for the Education Licensure Commission is $492,000 and six positions. The Commission will absorb a shortfall in office rent by reducing expenses in office supplies and communications. The amount funded for office rent in FY 1994 is $249,000, which is $6,000 less than in FY 1993.

As the State Approving Agency (SAA) for the District of Columbia, the Commission receives federal funds from the U.S. Department of Veterans Affairs (DVA) for expenses associated with the approval of programs for which veterans may claim educational benefits. The funds received will allow the Commission to charge certain eligible expenses to the federal rather than to the appropriated budget. We expect that at least the same amount ($90,000) will be available from the DVA in FY 1994.

I will be glad to answer questions about the budget and administration of the Commission. Thank you for this opportunity to provide information to the Committee.

D.C. Public Library

Agency Overview

Mission

The mission of the District of Columbia Public Library is to acquire and organize information, including books and other materials, to meet the educational, cultural, and recreational needs of adults and children in the community; and to provide free access to these materials and services in a manner "convenient to the homes and offices of all residents."

Agency Description

The Library's mission is accomplished through a network of facilities including the downtown Martin Luther King Memorial Library, 26 neighborhood facilities, and two specialized bookmobiles. Professional librarians and trained library technicians assist customers in obtaining information and materials in person, by telephone, and, soon, by dial access computer links. Special services are provided for the deaf, the homebound, the blind, the physically handicapped, as well as for seniors, lower level adult readers and adult basic education learners. Services to children and youth are an important component of the city's emphasis on serving youth. Young people are served by specially trained staff and carefully selected materials and activities provided in spaces dedicated to these age groups.

Neighborhood libraries are not only places to get books and information, to attend children's story hours, to read newspapers and magazines, but also community meeting places and centers of neighborhood pride and activity. The Public Library is one of the government services that makes the District of Columbia a desirable place in which to live and work.

The work of the Public Library is carried out through the following major programs:

- Public Service - provides direct public access to and professional assistance in using a wide range of information, books and other materials at facilities throughout the city.

- Technical Services - acquires, catalogs, and prepares books and other information resources for public use.

- Buildings and Grounds - cares and maintains for all facilities and provides delivery, transportation, and security services.

- Administration - provides executive direction, personnel services, and budget and fiscal support.

Agency Budget Summary

FY 1994: The *total* budget from all funding sources in FY 1994 is $22,389,239 and 466 FTEs, an increase of $1,132,248 and no change in full-time equivalent (FTE) positions from the total revised FY 1993 budget. The *appropriated* request for FY 1994 is $21,260,000 and 462 FTEs, an increase of $1,246,000 and no change in FTEs from the revised FY 1993 request. The *nonappropriated* budget for FY 1994 is $1,129,000 and 4 FTEs, a decrease of $113,752 and no change in FTE

positions from the revised FY 1993 budget.

FY 1993 Revised: The revised FY 1993 *appropriated* budget is $20,014,000 and 462 FTEs, a decrease of $964,000 and one FTE from the original FY 1993 budget. The revised FY 1993 *nonappropriated* budget of $1,242,991 and four FTEs was an increase of $642,528 and a decrease of one FTE position from the original FY 1993 budget.

The changes are described in detail in the program sections of the budget. Major changes include the following:

- A reduction of $575,000 in FY 1993 in furlough reductions.
- In FY 1993, step increases are cancelled citywide, which results in a savings to the Library of $298,000.
- Continued restructuring will eliminate a Department Head position in FY 1993 resulting in a reduction of $59,000 and one FTE in the FY 1994 budget and $44,000 in the revised FY 1993 budget.
- Equipment purchasing will be reduced by $50,000 in FY 1993.
- Tighter controls on overtime will permit a reduction of $60,000 in FY 1993.

Budget Strategy & Impacts

Strategy: It has been the stated policy of the Board of Library Trustees since 1981 not to dilute the quality of library service in the event of reduced funding. According to their "Statement of Principles on Library Service Reductions" issued in 1981 and revised in 1990, "If it becomes necessary to accept drastic reductions in funding, we would choose to be smaller in extent, but excellent in quality." As part of that overall strategy, the central strength of the book collection and the Martin Luther King Memorial Library would be preserved. Accordingly, the FY 1993 budget request retains the book fund at its current strength and preserves staffing in all libraries at a level that will permit the delivery of all basic services with no reduction in hours of service.

The steady rise in demand for library services will increase workloads in FY 1994. It will be necessary to continue restructuring staff to provide the maximum in direct service levels and essential support. Because of the high priority of maintaining purchasing power for books, the book fund will be increased by $106,000 in FY 1994.

Impacts: The quality of public service will be sustained throughout the library system with all basic services maintained at current levels.

D.C. Public Library

Table I — Agency Staffing and Funding Detail

Programs	Staffing (FTE Positions)				Funding			
	FY92 Actual	FY93 Budget	FY93 Revised	FY94 Proposed	FY92 Actual	FY93 Budget	FY93 Revised	FY94 Proposed
Administration	29.1	29.5	32.5	32.5	1,223,803	1,189,000	1,216,000	1,384,000
Technical Services	41.7	45.5	43.5	43.5	1,370,101	1,437,000	1,331,000	1,382,000
Public Service	285.1	304.5	302.0	302.0	13,974,304	13,850,463	13,591,391	14,317,639
Buildings and Grounds	82.6	89.0	88.0	88.0	5,161,892	5,102,000	5,118,600	5,305,600
Total Agency	438.5	468.5	466.0	466.0	21,730,100	21,578,463	21,256,991	22,389,239
Appropriated Funds	433.4	463.0	462.0	462.0	20,725,652	20,978,000	20,014,000	21,260,000
Federal Funds	3.1	5.0	3.0	3.0	471,037	340,963	597,691	580,139
Intra-District Funds	0.0	0.0	0.0	0.0	17,125	0	52,600	2,600
Other Funds	1.9	0.5	1.0	1.0	516,286	259,500	592,700	546,500

Table II — Agency Outputs

Measures	FY 1991	FY 1992	FY 1993	FY 1994
Total system circulation	2,116,000	2,184,000	2,184,000	2,250,000
Library visits	2,371,000	2,421,000	2,417,000	2,464,000
Occupancy Index	2,172,000	2,184,000	2,272,000	2,413,000

Table V — Agency Appropriated Summary by Expenditure Type

Expenditure Type	Staffing (FTE)				Funding			
	FY 92 Actual	FY 93 Budget	FY 93 Revised	FY 94 Proposed	FY 92 Actual	FY 93 Budget	FY 93 Revised	FY 94 Proposed
Personal Services								
Regular Pay	417.6	448.0	447.0	447.0	12,012,643	12,453,000	11,545,000	12,338,000
Other Pay	15.8	15.0	15.0	15.0	307,683	271,000	342,000	361,000
Additional Gross Pay	0.0	0.0	0.0	0.0	743,450	557,000	497,000	557,000
Fringe Benefits	0.0	0.0	0.0	0.0	2,027,065	2,316,000	2,106,000	2,291,000
Total Personal Services	433.4	463.0	462.0	462.0	15,090,841	15,597,000	14,490,000	15,547,000
NonPersonal Services								
Supplies					254,589	248,000	248,000	248,000
Energy					1,464,110	1,239,000	1,423,000	1,456,000
Communications					174,935	177,000	186,000	186,000
Building Rent					3,420	4,000	4,000	4,000
Other Services & Charges					1,114,057	1,139,000	1,139,000	1,139,000
Subsidies & Transfers					200,000	200,000	200,000	200,000
Equipment					2,423,700	2,374,000	2,324,000	2,480,000
Total NonPersonal Services					5,634,811	5,381,000	5,524,000	5,713,000
TOTAL AGENCY	433.4	463.0	462.0	462.0	20,725,652	20,978,000	20,014,000	21,260,000

STATEMENT OF HARDY R. FRANKLIN, PH.D

DIRECTOR

DISTRICT OF COLUMBIA PUBLIC LIBRARY

BEFORE

THE HOUSE SUBCOMMITTEE ON D.C. APPROPRIATIONS

1993

Mr. Chairman and Members of the Committee:

I am pleased to inform you that the revised FY 1993 appropriated budget for the Public Library is $20,014,000 and 462 FTE's, a decrease of $964,000 and one FTE from the original FY 1993 budget. The revised nonappropriated budget of $1,242,991 and four FTE's was an increase of $642,528 and a decrease of one FTE position from the original FY 1993 budget. The Library has been able to absorb the reductions as well as an additional $193,000 in increased energy cost by holding vacant positions open, curtailing overtime, and other means.

The total budget from all funding sources in FY 1994 is $22,389,239 and 466 FTE's, an increase of $1,132,248 and no change in full-time equivalent (FTE) positions from the total revised FY 1993 budget. The appropriated request for 1994 is $21,260,000 and 462 FTE's, an increase of $1,246,000 and no change in FTE's from the revised FY 1993 request. The nonappropriated budget for FY 1994 is $1,129,000 and four FTE's, a decrease of $113,752 and no change in FTE positions from the revised FY 1993 budget. The changes are described in detail in the program section of the budget.

It has been the stated policy of the Board of Library Trustees since 1981 not to dilute the quality of library service to the community and to maintain and expand the strength of the book collection and the services provided from our central library, the Martin Luther King Memorial Library. The quality of public service will be sustained throughout the library system, and all basic services maintained at current levels. All of our branches will be open six days a week Monday through Saturday, including two evenings per week. Aside from our regular offerings of information, current books and other library materials for children, the library provides service to seniors, an extensive adult basic education program, and service to the deaf community. As in previous years, the use of the Public Library continues to grow. Clearly, library service is both wanted and needed by the people we serve. Patrons are coming to their libraries more often and staying longer. Once again the circulation went up 3% across the city. The per capita rate of borrowing reached 3.6%, which is the highest since 1964.

We recognize that in FY 1993 we will once again have to find ways to both maintain and improve service without any budget increase. We are certain that we will be able to do it with the help and support of our many friends and with the cooperation of our Board and staff.

Mr. Chairman, the President of the Board of Library Trustees, Mrs. Antonell K. Aikens, joins me in expressing to you and the Committee our sincere appreciation for your continuing support of library services in the District of Columbia.

Commission on the Arts and Humanities

Agency Overview

Mission

The mission of the D.C. Commission on the Arts and Humanities is to enrich the quality of life for the people of the District of Columbia through the arts, in partnership with the community.

Agency Description

The Commission's mission is achieved by awarding grants through a competitive process to outstanding artists, arts and community-based organizations and by supporting special projects and initiatives within the city. In response to the needs expressed by the community, and in collaboration with other District Government agencies and the private sector, grants are awarded in three focus areas:

Arts Education: provides training and exposure for youth aged pre-K to 21 years to increase analytical skills, creativity and self-esteem in public school settings, churches and other non-traditional sites.

City Arts: supports accessibility and diversity of cultural expression for the broadest sector of the community with an emphasis on increasing participation by ethnic minorities at all levels of arts activities, access to senior citizens, the physically and mentally challenged, the institutionalized, and others under-served populations.

Grants in Aid: provides arts institutions and artists with general operating support grants which serve as a catalyst to leverage support from the private sector while promoting the artistic excellence within the District of Columbia.

Agency Budget Summary

FY 1994: The *total* budget from all funding sources in FY 1994 is $4,001,000 and 20 FTEs. This is an increase of $109,000 and no change in FTE positions from the revised FY 1993 total budget, and an increase of $39,000 and no change in FTE positions from the original FY 1993 total budget. The revised total budget from all funding sources in FY 1993 is $3,892,000 and 20 FTEs, a reduction of $70,000 and no change in FTE positions from the original FY 1993 total budget.

The *appropriated* budget request for FY 1994 is $3,540,000 and 13 FTEs, an increase of $83,000 and no change in positions from the revised FY 1993 budget request and a $13,000 increase and no change in FTE positions from the approved FY 1993 budget. The *nonappropriated* budget is estimated to increase by $26,000 to $461,000, based on a pre-determined formula with an addition of a discretionary amount based on perceived local government support of the State Plan and is subject to change. There is no change in the nonappropriated FTE positions.

FY 1993 Revised: The revised *appropriated* budget for FY 1993 is $3,457,000 and 13 FTE positions and represents a net decrease of $70,000 from the initial FY 1993 appropriation with no change in FTE positions. There is no change in the revised FY 1993 nonappropriated budget of $435,000.

Commission on the Arts and Humanities

Major changes include the following:

- FY 1993 is reduced by $24,000 due to furlough reductions and within grade reductions
- For the FY 1993 revised budget, the City Arts Program will be reduced by $48,000.
- FY 1994 is increased by $83,000; the reductions made in FY 1993 are reinstated and a $ 9,000 increase.
- A total of $2,000 was added to the budget for increased health benefits costs in FY 1993 and $4,000 in FY 1994

Budget Strategy and Impacts
Strategy: The Commission proposes to minimize the impact on the citizenry in FY 1993, focussing reductions only on the City Arts Program, and leaving the Arts Education and Grants-in-Aid programs intact. Funds awarded under the Grants-in-Aid Program have already been committed for FY 1993.

For FY 1994, the Commission proposes to maintain a balanced level of support to the community with particular emphasis on the youth and under-served populations. The Commission remains committed to programs which impact the youth and under-served populations, particularly those isolated from the cultural and artistic mainstream, notably residents east of the Anacostia River, those mentally and physically challenged, and seniors and youth at risk.

The Commission maintains as its highest priorities the Arts Education Program and the City Arts Program, and is committed to forming partnerships, fund raising and initiatives to enhance these project programs. The Commission proposes a minimal reduction in FY 1994 to the Grants-in-Aid Program in order to sustain funding stability to arts organizations that serve and impact the concerns of the community through the arts. Funding from the Grants-in-Aid Program provides institutional support to organizations and is the foundation for maintaining their financial stability and leveraging private sector support.

Furthermore, through creative financing, the Commission will redirect and refocus funding to address the specific concerns of the citizens of the District, with particular emphasis on the youth and under-served populations. Available resources will be prioritized to encourage private, public and government partnerships. Resources will also be devoted to encouraging arts activities in recreation centers, and other appropriate sites in order to maximize and combine efforts with other cultural entities.

The Commission will create a discretionary fund in the amount of $75,000 to provide grants to non-traditional, community-based arts organizations. The recipients for these grants shall be recommended by the Executive Director to the Commission.

Commission on the Arts and Humanities

An economic impact study will be conducted over the next two years to assess the cultural resources of the District of Columbia and the annual contribution to the economy through employment, payroll taxes and other related services. This effort is a part of the Commission's overall strategy to promote and encourage the development of public, private and government partnerships. The Commission proposes to use creative measures to identify cultural resources, and stimulate the growth of arts related businesses, including the entertainment industry of the District, while highlighting the livability of Washington, D.C.

Impact: The reduction of $48,000 in the City Arts Program in the FY 1993 budget will have a minimal impact and will not jeopardize the agency's ability to address the needs and concerns of the District. It will reduce the number of grants awarded in FY 1993 by approximately twelve (12) from the total number in FY 1992, which represents a 8.4% decrease.

The Commission has reduced the FY 1994 allocation to Grants-in-Aid by $57,000. Further reductions to this program would jeopardize the Commission's ability to match federal funds and impact the Commission's constituents as the sole source of local government funding for arts organizations. However, the Commission maintains the flexibility of granting reduced amounts in order to broaden efforts to reach under-served communities.

Table I **Agency Staffing and Funding Detail**

Programs	Staffing (FTE Positions)				Funding			
	FY92 Actual	FY93 Budget	FY93 Revised	FY94 Proposed	FY92 Actual	FY93 Budget	FY93 Revised	FY94 Proposed
Commission on the Arts and Humanities	12.9	13.0	20.0	20.0	3,963,143	3,527,000	3,892,000	4,001,000
Total Agency	12.9	13.0	20.0	20.0	3,963,143	3,527,000	3,892,000	4,001,000
Appropriated Funds	8.4	13.0	13.0	13.0	3,322,143	3,527,000	3,457,000	3,540,000
Federal Funds	4.6	0.0	7.0	7.0	641,000	0	435,000	461,000
Intra-District Funds	0.0	0.0	0.0	0.0	0	0	0	0
Other Funds	0.0	0.0	0.0	0.0	0	0	0	0

Commission on the Arts and Humanities

Table II — Agency Outputs

Measures	FY 1991	FY 1992	FY 1993	FY 1994
Grants-in-Aid - Applications	327	422	269	300
Grant Awards	106	115	118	121
Awards to individuals	74	70	67	70
Awards to organizations	32	45	51	51
Average grant amount	10,938	8,444	7,745	7,745
Arts Education Project grants - Applications	65	105	115	120
Arts Education Project grants - Grant Awards	9	72	69	69
Arts Education Project grants - Individuals	4	41	31	31
Arts Education Project grants - Art Organizations	3	22	21	21
Arts Education Project grants - Community Based Organizations	2	9	17	17
City Arts Project Grants - Applications	169	160	165	178
City Arts Project Grants - Grant awards	35	142	130	143
City Arts Project Grants - Individuals	0	36	38	38
City Arts Project Grants - Arts Organizations	16	69	57	70
City Arts Project Grants - Community Based Organizations	19	37	35	35
Number of People Reached Total Program	0	0	156,940	160,000

Table III — Agency Appropriated Summary by Expenditure Type

Expenditure Type	Staffing (FTE)				Funding			
	FY 92 Actual	FY 93 Budget	FY 93 Revised	FY 94 Proposed	FY 92 Actual	FY 93 Budget	FY 93 Revised	FY 94 Proposed
Personal Services								
Regular Pay	8.4	13.0	13.0	13.0	315,714	448,000	424,000	448,000
Other Pay	0.0	0.0	0.0	0.0	0	0	0	0
Additional Gross Pay	0.0	0.0	0.0	0.0	14,173	0	0	0
Fringe Benefits	0.0	0.0	0.0	0.0	38,496	63,000	65,000	67,000
Total Personal Services	8.4	13.0	13.0	13.0	368,383	511,000	489,000	515,000
NonPersonal Services								
Supplies					10,340	14,000	14,000	14,000
Energy					0	0	0	0
Communications					17,618	17,000	17,000	17,000
Building Rent					167,202	184,000	184,000	184,000
Other Services & Charges					51,868	77,000	77,000	77,000
Subsidies & Transfers					2,671,478	2,685,000	2,637,000	2,694,000
Equipment					35,254	39,000	39,000	39,000
Total NonPersonal Services					2,953,760	3,016,000	2,968,000	3,025,000
TOTAL AGENCY	8.4	13.0	13.0	13.0	3,322,143	3,527,000	3,457,000	3,540,000

DISTRICT OF COLUMBIA
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SHARON PRATT KELLY
MAYOR

OFFICE OF THE MAYOR

Opening Statement

June 21, 1993

Pamela G. Holt, Executive Director and Mayor's Advisor for Cultural Affairs, D.C. Commission on the Arts and Humanities

Congressman Dixon and members of the Subcommittee on District of Columbia Appropriations, I thank you for the opportunity to present my agency's budget request for FY 93.

The District Arts Commission serves, outside of private support, as the single source of funding and administration that is available to artists, arts organizations, and community groups. The Commission operates simultaneously as the District's municipal arts agency and as the designated state arts agency. As the municipal arts agency, the Commission is responsible for local programming, subgranting, funding emerging artists and organizations, and serving as the advocate for artists' space. As a state arts agency, the Commission is the District's authorized agency to receive federal grants for art programs from the National Endowment for the Arts. A variety of programs ranging from Fellowships to Summer Youth Programs to grants that address specific concerns affecting the District of Columbia are offered by the Commission.

It is the mission of the D.C. Commission on the Arts and Humanities to improve the quality of life for District residents through the arts. We do this in partnership with the community and thus reach youths, seniors, physically and mentally challenged people, residents from diverse cultural perspectives and the vast public at large. Through the arts we are brought together to address social concerns, to learn and be educated and to preserve our various cultural heritages. The arts regenerate, revitalize, recognize and remember our communities.

Before summarizing the Arts Commission's budget request, I would like to highlight some of the agency's accomplishments in FY 1992 and thus far in FY 1993.

During FY 1992, the Arts Commission supported highly successful programs that enhanced the human potential, the quality of life, and the education of our youth. One major milestone was the implementation of arts-related employment opportunities for 3,600 young people. Last summer, working with D.C. Art/Works, the Departments of Recreation and Employment Services, these training activities culminated in outstanding performances at the Fort Dupont Park, the Kennedy Center, Lisner Auditorium, Ira Aldridge Theater, the African Heritage Center, Eastern High School and other venues throughout the city. Parents, neighbors and friends had the opportunity to observe their children in positive and rewarding experiences. For six weeks our city was proliferated with young people involved in the arts -- remember "Dream Girls, West Side Story, and Bubbling Brown Sugar?" For the young people involved, this initiative developed practical and transferable skills while providing viable alternatives to crime, drugs, and idleness---which so often prevail in our city.

Another highlight of FY 1992 was the launching of the new East of the River Arts Initiative. This program is the outgrowth of expressed community concerns and is responsive to those needs. Jointly sponsored by the National Endowment for the Arts, the focus of this program is to stimulate and encourage the development of arts and cultural activity in neighborhoods east of the Anacostia. In addition to arts groups, community groups are also eligible for grants. Seeking to build organizational structures, develop audiences, and increase arts presentations in these communities, funds are used for staffing and managerial assistance, partnerships
with organizations located east of the river, and special exhibitions, performances and cultural activities. In 1992, our outreach efforts resulted in 47% of the submissions coming from first-time applicants.

In its first year, the East of the River Arts Initiative served as an impetus for the creation of hubs of cultural activity, such as 8/Rock and a new youth theater group. Both of these organizations received funds in the early stages of development. 8/Rock opened their new space in June 1992 and now presents a variety of monthly arts activities and the Almasi Nyeusi Theater Group at the Covenant Baptist Church is now applying for its second grant. The Arts Commission considers these projects the beginning of a long term commitment to this area of the city.

Another milestone of FY 92 was the continuation of the acclaimed Gospel Music Series in public housing communities, SummerGospel. This city has the largest number of gospel quartets in the world. As a long tradition in the African-American community, this form of music flourished throughout the housing communities of Valley Green, Sibley Plaza, Montana Terrace and Potomac Gardens to name a few. Altogether, over 350 artists participated with an average of 400 persons attending each concert. These twelve concerts

were presented in cooperation with the Department of Recreation and Parks and the Coalition of Black Gospel Artists. In parking lots, courtyards, on basketball courts and on the streets, the joyous atmosphere and sense of camaraderie that was generated cannot be duplicated in any way but through the arts.

The Arts Commission's commitment to preserving the diverse and unique cultural traditions in our city has led to the support of many festivals and special events such as the annual Latino Festival, the Malcolm X Day Celebration and "Arte Para Todos," a film that was aired on Channel 16 and Channel 48. The success of this film captured the attention of WETA, and it was dubbed and shown on Channel 26 for the English speaking population. The script, which focuses on the immigrant experience, drew immediate and overwhelming responses from an audience who felt that they could relate to the actors and the storyline. We continue to expand the diversity of our client base as we identify and assist those artists who have learned their skill by example or word of mouth, rather than through Western academic "fine arts" training. A recent example was the "Quilting Bee" Project of the Daughters of Dorcas. This eight month project trained over 100 people in this traditional artform which culminated in the presentation of quilts to boarder babies at D.C. General Hospital, the Northeast Chi House and the pediatric AIDS clinic at Children's Hospital. Through these types of efforts, we strive to preserve and protect traditions.

The Arts Commission continued its support to the African Continuum Theater Coalition to foster the maintenance and development of Black theater activity in the District. This arts service organization which has grown to over 300 members in the last two years, works to tackle the artistic, managerial and financial challenges that burden Black theater. Another example of our efforts to promote cultural diversity was the Morning Star Foundation's project. This project exposed young people to the variety of Indian tribes, cultures and religions of Native Americans. In conjunction with the occasion of the 500th anniversary of the voyage of Columbus, this project worked to expose students to the contributions of Native Americans <u>by</u> Native Americans. Working closely with ethnically rooted institutions, the Arts Commission seeks to embrace and sustain the diverse cultures in our city and to expose the broader public to these treasures.

The FY 1993 revised budget request is for $3,457,000 with 13 full-time positions. The FY 1994 budget request is for $3,540,000. Continuing to build on past successes and with evermore zeal, the Arts Commission <u>will</u> serve the residents of our city through the arts. The Commission proposes to minimize the impact of reductions on the citizenry in FY 1993 and FY 1994. In FY 1994, the Commission will continue the Arts Education Program as its highest funding priority with reductions to the

City Arts Program.

We are working more closely with the community than ever before, we are in turn responding to their concerns. We have sponsored two Arts Resource Fairs and planned special workshops. Thus far in FY 1993, the Arts Commission has supported 8,049 artists. Through the Arts Education and City Arts Programs, 270 worthy projects are taking place this year throughout the city. With our programs, we are reaching approximately 1 out of every 4 District residents.

In the Arts Education Program, the focus is on youth and their training and exposure to arts activities. This grant program includes artists residencies in public schools and other settings such as homeless shelters, community centers and churches. The projects we sponsor develop analytical skills, serve to build self-esteem and foster a sense of self-empowerment. In FY 1993, the Arts Education Program will impact youth in all wards of the city, with 43% residing in Wards 6,7, and 8. One example, is the Arts Enterprise Zone Project of the Levine School of Music, the Washington Performing Arts Society and the Kennedy Center. This project effort provides continuous and unified arts experiences for 1200 students at 5 "feeder" public schools--Aiton and Draper Elementarys, Hart and Kelly Miller Junior Highs and Ballou High School. Over a multi-year period, the endeavor will provide an in-depth evaluation of the project's impact on student development. It is through grants such as these that the arts have a profound impact. Young people exposed to the arts have a better chance for success. This is evidenced by the Duke Ellington School for the Arts which has a 92% high school graduation rate.

In the City Arts Program, funding is provided to support projects that expose the broader community to the arts experience, particularly those traditionally underserved. For example, through these grants issues of sexual abuse and AIDS are addressed through the mediums of dance and photography. Non-verbal expression is encouraged through artwork created by mentally challenged people. Residents at Lorton are involved in transferable arts experiences. Support for multi-cultural initiatives at the Arena Stage is provided.

In FY 1994, the Arts Commission will continue our commitment to programs and services for young people, arts activity in underserved communities and support to the diverse arts community in the city. To offset the proposed reductions, the Arts Commission will develop mechanisms to extend opportunities for public participation in the arts. By working in partnership and cooperatively with other agencies to develop programming opportunities and share resources, the arts can assist in providing activities of a preventive nature for youth and augment programming in critical sites. Although the Arts Commission

will face tighter budgetary constraints, planning ahead will allow our applicants to develop projects that are responsive and reflective of the city's priorities.

The grants awarded by the Arts Commission are made on a competitive basis. Panelists with expertise in the arts and humanities, financial management and community development review requests for funds. These panelists make recommendations on which applications should be funded. In FY 1993 thus far, the Commission has received over 560 grant applications in its three focus areas: Arts Education, City Arts and Grants-in-Aid.

A small agency with a large mandate, the Arts Commission will continue working with the community and will develop partnerships with other District Government agencies and the private sector to coordinate support for arts and cultural activity. Through forums and meetings with residents, the Commission will be in the position to determine community concerns and develop appropriate responses. We will work toward developing affordable arts space to foster cultural districts and will continue to support and encourage artistic excellence. In so doing, we will focus on the residents of the District, youth, diverse sectors of the city and the public at large. Over these years, in partnership with the community, we will build on this research and complete a cultural assessment to evaluate and maximize the vast cultural resources of our city.

Before closing, I would like to mention the vital role that the arts play in our city's economic well-being. Funding for the arts is an investment that provides a significant return as every dollar spent to attend arts events generates much, much more in the purchase of goods and services. Additionally, the arts provide our young people with training and skills enabling individuals to become productive citizens and saves money that might otherwise have to be spent in rehabilitation. It costs approximately $24,000 a year to house one individual in a reformatory and about $16,000 a year to support drug and alcohol rehabilitation. The arts can more cost effectively provide viable alternatives.

In summary, the Arts Commission has played a vital role in improving the quality of life of our city and in making the arts accessible for District residents. The arts create jobs for DC residents and generates revenue for the city and provides real alternatives to the crime, drugs and other social concerns that challenge our city.

Thank you for your support in FY 1992 and to date in FY 1993. Your continued support of the Commission's efforts will help ensure that the arts continue to be a positive and an essential part of our great city of Washington, D.C.

WEDNESDAY, JUNE 9, 1993.

FINANCIAL PROBLEMS

WITNESS

ELLEN M. O'CONNOR, DEPUTY MAYOR FOR FINANCE

USE OF $336 MILLION BORROWED TO RETIRE DEFICIT

[CLERK'S NOTE.—See page 2355, this volume, for District's response to a question for the record concerning the use of the $331.6 million.]

Mr. DIXON. As I recall, in September 1991 the city requested the authority to go out and borrow $336.6 million to retire the District's accumulated general fund deficit and square everything away?

My first question is: How was that $336 million used; how was it applied?

And then, if you would explain the legislation the City Council passed recently and how that money will be used. I know you talked a little about these subjects with Mr. Walsh off the record. The Committee would appreciate it if you could just address those issues first.

Ms. O'CONNOR. Thank you, Mr. Chairman.

The District did receive permission to finance an accumulated general fund deficit of $336 million that was accumulated over 13 or 14 years.

In September of 1991, the District raised that bond on Wall Street. We borrowed the money. What that immediately did was, up until that time, we had $336 million more liabilities than we had assets. That is where we got this accumulated general fund deficit.

Bringing in this asset of $336 million cash allowed us to erase that deficit. And, in fact, it put us into a modest surplus, a million and a half positive general fund balance.

So it balanced our books, and it brought in $336 million worth of cash. The reason I am emphasizing balancing of the books is we had some liabilities that were immediately due and payable, and we used some of that cash to pay those. That was at least $75 million. We also had some longer term liabilities that did not require an immediate cash disbursement so that the cash for those longer term liabilities remained available in a reserve for cash flow purposes.

Mr. WALSH. This is just on operating expenses?

Ms. O'CONNOR. This was in the general fund which finances all of our operating expenses.

Mr. WALSH. The reason I ask is because this pension fund is such a huge amount of money.

That was just set aside and not considered in this debt reduction program?

Mr. DIXON. No, it was not.

Ms. O'CONNOR. No, it was not. Actually, the only one of us that had—the only one of us who has had the pleasure of actually being there was Mr. Dixon.

Mr. DIXON. That is correct.

Ms. O'CONNOR. So we used some of the actual—so it balanced our books. That was the first good thing it did. And we got to use some of the cash immediately to pay off $75, $80 million worth of bills. And then it replenished the cash reserves.

Mr. DIXON. Okay. Go ahead.

USE OF CASH RESERVES

Ms. O'CONNOR. Since that time, we have used those cash reserves for—or those cash reserves are being used for three or four different things such that we are now down to modest cash reserves.

WATER AND SEWER FUND

The three or four things are that, one, water and sewer enterprise fund has been borrowing cash from the general fund. They are on a budgetary basis, their books are balanced, but they have over $34 million worth of accounts receivable, that is uncollected bills. That accounts receivable qualifies as revenue, but there is no cash there.

We had asked the City Council, in order to collect those receivables, to change the policy and regulation to allow for turning off of water and other tort things to encourage people to pay. This would have to be supported by the Council. We were unsuccessful in an initial attempt to get the Council to approve such legislation.

Mayor Kelly will be speaking to them next week and at the July 6th Council legislative session and ask that they take that bill up again. But that is one place where some cash went.

D.C. GENERAL HOSPITAL

The second place that some cash went is to the D.C. General Hospital. D.C. General Hospital, each year, for the last five years—and the only two years that are relevant are the last two—but each year, for the last five years, they have spent $15 to $20 million more per year than they have raised in revenues and we have given them in appropriations.

So above and beyond what's in their budget—our subsidy, and what they can collect themselves—they have been spending $15 to $20 million more. They have an accumulated fund deficit, as of last October 30, of $74 million.

You ask, how can a place with $74 million worth of liabilities that is essentially, bankrupt, keep themselves going? They keep themselves going because they borrow cash from the general fund of the District of Columbia. In the last two years, which is the period since we raised the $334 million to cover the accumulated general fund deficit, they have borrowed $25 million in cash. And I am talking through June of this year.

FEDERAL REIMBURSEMENTS

A third area where the cash has been going, we have been looking at accounts receivable from the Federal government. And I am not making an argument against the Federal government.

Mr. DIXON. I understand.

Ms. O'CONNOR. But we have many programs that are financed through—some—either a 50/50 contribution or 90/10—you know, us 90, you 10, or whatever—for which we have not submitted claims. In this year, of 1993, it has been over $50 million.

An example is the homeless program. We sponsor a homeless program. The Federal government participates in the financing of that homeless program. But we don't get the Federal money until we have submitted the claim. In the meantime, we are using our cash to pay those homeless bills. And until we get the Federal reimbursement, it is all our cash.

Am I—is this doing it?

Mr. DIXON. Yes.

Ms. O'CONNOR. Okay.

Mr. WALSH. This is all after you borrowed——

Ms. O'CONNOR. The $336 million. But I am responding to the question of what happened to the $336 million.

Mr. WALSH. Are they borrowing from that $336 million when you say they are borrowing cash?

Ms. O'CONNOR. Yes. The $336 million replenished the District's cash reserves.

Mr. WALSH. All right.

Ms. O'CONNOR. Then the final area—so we have water and sewer accounts receivable problems. We have D.C. General Hospital spending more than the subsidy. And they are able to do that because they are borrowing cash from us. We have an accounts receivable claims problem in DHS and public and assisted housing, as well as DHCD. I think it may be DHCD.

We are just not crisp and snappy in putting in our Federal claims for reimbursement. Even though we may have paid the bill to the vendor who provided the service or paid the money out to the employee who is on, quote, the Federal payroll. But if you don't put in the claim, you are using your own cash.

INCREASED SPENDING COVERED BY SHIFT IN PROPERTY TAXES

The last area is that in the—if you compare the 1992 budget to the 1993 budget, there is an increase in spending. We know that—and that means money going out the door. We balanced the increases in spending, principally, through a change in the property tax year which produces a one-time revenue benefit to the District, so that we get five quarters of property tax in fiscal year 1993 instead of four quarters. Are you with me? Okay.

That revenue benefit carries no cash with it. In other words, we were already getting in the cash. It was already part of the pooled cash. So we are supporting some spending in 1993 through a revenue that brings no cash in.

Mr. ISTOOK. You are talking about accruing it on the books and, therefore, you count it as in when it is not in?

TIMING OF PROPERTY TAX YEAR AND TAX COLLECTIONS

Ms. O'CONNOR. Actually, it is the reverse. The property tax year in the District has been July to June. That is what it has been, even though our fiscal year has been October to September. The only property tax revenues that supported that October to September budget were the revenues received the previous July to June,

even though we received in the quarter beginning July 1st to September 30th, that started a new tax year—that tax revenue went to support the following year's budget, even though some cash—and it was recognized as deferred revenue on our books.

But the way the property tax is paid in the District, in fact, a whole bunch of cash came in September 15th. That cash was part of the pooled cash available to us, even though, as revenue, it was credited to the next year.

Am I being as clear as mud here?

Mr. ISTOOK. Yes; it should have been placed in trust, but wasn't.

Ms. O'CONNOR. Well, whatever. The practice was that it was part of the pooled cash so that in picking up a quarter by aligning the tax year, we have moved the tax year from a July 1 to June 30th to an October 1 to September 30th year.

Having done that, you have five quarters in the first year, and that gives you some revenue that you can use to balance your budget. That revenue doesn't carry any additional cash. That further stressed, because we are supporting some spending which is cash going out the door with revenue that doesn't bring in cash—I hope that wasn't—I am not a CPA as you, no doubt, already figured out.

My point is that a series of actions have drained the cash, and we are undertaking some short-term and long-term actions to develop or redevelop cash reserves.

RECOGNITION OF REVENUES WHEN EARNED

The immediate concern is to get through the summer. I have explained to Congressman Walsh, the cash coming in is lumpy as far as the revenue is concerned in the area of the single biggest tax, that is the property tax. We get over $800 million a year in property taxes. It comes in two pieces, a big payment in March and a payment in September.

During the——

Mr. WALSH. Excuse me. When do you get the Federal money?

Ms. O'CONNOR. The Federal payment comes in a lump sum in October.

Mr. WALSH. As soon as it is appropriated?

Ms. O'CONNOR. As soon as it is appropriated.

Mr. WALSH. So you receive your biggest property tax and the Federal lump sum at the end of the year. I am talking about the property tax collection in September.

You would get that $800 million——

Ms. O'CONNOR. $800 million is the whole annual amount.

Mr. WALSH [continuing]. Or that portion of it, and also the Federal payment within a month of that. Would you not?

Ms. O'CONNOR. Yes, that is true. But the property tax comes after a real trough in the cash.

Mr. WALSH. Right.

Ms. O'CONNOR. And, historically, it was used to pay off tax revenue anticipation notes, which, before this $336 million in general fund obligation bonds were raised, was the District's method of managing the cash flow problems. It structurally has, I am told. And I know, it is not that unusual for jurisdictions who are dependent on property tax to have cash flow problems and to do tax

revenue anticipation notes. And what your creditors want to know is, "can you pay it back?" And that is how they authenticate what your property tax receipts are.

DAILY CASH FLOWS

Because of these other pressures on the cash reserves, we, this summer, are forecasting cash troughs. That is literally—we do daily cash flows. If you total up what you expect in cash receipts and total up what you would like to spend in cash disbursements, you have negative cash days.

That is called impossible. And you then must undertake a series of actions to either increase your inflows or decrease your outflows.

Mr. DIXON. Let me ask—first of all, I understand—and I am not pressing at all—there is a reluctance for you to mention a figure as to the cash on hand.

Ms. O'CONNOR. Right.

PREVIOUS TESTIMONY ON USE OF BORROWED FUNDS

Mr. DIXON. In 1991—and I understand that you were not here—your predecessor Bob Pohlman indicated, as I understood him, that the $332 million that was borrowed included what I call long-term debts that did not have to be immediately liquidated.

Ms. O'CONNOR. Right.

Mr. DIXON. And the money for those long term debts would be used as a rainy day fund.

In other words, at that hearing on June 4, 1991, as he said, "It enables the District to build up a fund reserve or establish a rainy day fund or budget stabilization fund like many other cities and States have to handle short-term fiscal problems, such as economic downturns, in the future."

I guess you would say that the future was right around the corner.

He also said "The District of Columbia is now preparing to take a different approach to eliminating its deficit: through the issuance of general fund recovery bonds to completely eliminate the deficit, committing the city to pay off the bonds in 12 years."

Without disclosing the amount of money, I would suspect the kinds of items you say the money has been spent for are items that are not going to be reimbursed to the District. For instance, you said $25 million has gone to D.C. General Hospital, and there is probably no way to recoup that. At least that would be my understanding.

And, then you say that this $231 million that you are borrowing for capital outlay is not going to be used for general operating money, if I understand you correctly. But this rainy day fund, I suspect, at some point in time in the near future, is going to be down to zero; and then you are going to have to go back to short-term borrowing.

Where is my analysis wrong?

Ms. O'CONNOR. Well, I am not going to characterize it as right or wrong——

PREVIOUSLY PROJECTED CASH BALANCE

Mr. DIXON. The figure, quite frankly, that Bob Pohlman came up with is $107 million that you would have in your rainy day fund.

I am not asking you to comment on that. But if you are using what you are calling this rainy day fund, pretty soon it is going to be down to zero; and there is going to be a need for some short-term borrowing again. That is really my concern. Coupled with the fact that you are already paying off one short-term borrowing for $336 million over 12 years. It seems to me that all of a sudden, again, the city is going to have to do some short-term borrowing, especially if this rainy day fund is depleted.

D.C. GENERAL HOSPITAL FINANCIAL PROBLEM

Ms. O'CONNOR. The D.C. General Hospital practice has been a well-known financial problem.

Mr. DIXON. Right.

Ms. O'CONNOR. The Mayor, in no uncertain terms, as well as the Chairman of the City Council, had brought to the attention of D.C. General that their practices are no longer acceptable.

Mr. DIXON. Okay.

Ms. O'CONNOR. They have identified a series of actions that have to do with reducing staffing at D.C. General, increasing their collections of payments due from third parties as well as the Federal government, plus some review of their service delivery.

It has been documented that much of the free—I hesitate to use the word much—some of the free care and, therefore, bad debt that D.C. General provides is to nonemergency, non-District of Columbia residents.

Mr. DIXON. Yes. And we have heard that testimony.

Ms. O'CONNOR. D.C. General Hospital has agreed to undertake a series of actions with monitoring that will at least stop the free fall. That should take what is today a $25 million problem, by the end of this year, down to a $13 or $14 million problem.

CONCERNS EXPRESSED BY PHIL DEARBORN TWO YEARS AGO

Mr. DIXON. I don't want to pursue it in detail. Phil Dearborn, the former vice president of the Greater Washington Research Center, is certainly no prayer book, but it would appear that what he said two years ago may occur. You see, on this issue of the $332 million, he said, "What worries me a little bit about this, too, is to the person who doesn't understand what is going on here, it sounds like a very easy thing. The District ran up a lot of unbalanced budgets, went to Congress, Congress said, okay, you can issue some bonds. They borrowed the money, and the problem is gone. Let's just run up some more deficits. Why are you telling me you are going to close my health clinic or my day care center or something? You did it once; you can do it again.

"I think there has to be something to get the city officials off the hook on this by perhaps Congress saying, look, here is some dire thing that is going to happen to you if you do that, so that people can understand."

In other words—I hope it is not true—but I am terribly afraid that there will be another massaging of this problem in the future

and then, "well, we had to do this and we need some more short-term borrowing." And then all of a sudden—I think that is what John Wilson, in part, was talking about—I am just being candid about this—when he said the city was in very bad financial shape.

DISTRICT IN VERY BAD FINANCIAL SHAPE

Ms. O'CONNOR. It is in very bad financial shape. It is easily documented that we are poor. Our revenue is not growing. Our expenses are. We are taking a series of actions in 1993 and 1994 trying to get to balance. As has been pointed out to us by your good——

Mr. DIXON. You were counting on that $28 million?

Ms. O'CONNOR. We are now clear that the size of the problem that we solved was too small.

$100–$300 MILLION DEFICITS IN FY 1993 AND FY 1994

We have a bigger problem than what is before you in the 1993 and 1994 budgets.

Without putting any ideas in the Committee's head, we believe we have at least a $30 million problem in 1993. We easily have a $20 million problem in 1994, strictly from what we had expected in Federal payment and what is likely to occur—$50 million total. We are, at the Mayor's direction, reviewing other forecasts that were optimistic that we were relying on to balance the budget.

We are to brief her later this week, and the Council in the middle of next week, on what we think the size of the combined 1993–1994 problem is. It will be in at least the hundreds of millions of dollars. Probably—certainly it will be—I would say it is somewhere between $100 and $300 million dollars.

Mr. WALSH. How did you get from $20 million this year, and $30 million next year, to hundreds of millions of dollars?

Ms. O'CONNOR. We are looking at our health care forecast, our D.C. General Hospital problem, our water and sewer problem. I am not just talking about the general fund, Mr. Walsh. As well as some of the services and programs that we operate: homeless, health care. We are presenting that to the Mayor and the Council. We will be presenting what the options are to address those problems.

I am expecting that the Mayor will be asking the Council at the next legislative session, which is in the beginning of July, to take action on these problems.

USE OF CAPITAL BORROWINGS FOR OPERATING EXPENSES

Mr. DIXON. Will that include using some of that capital outlay money for operating expenses?

Ms. O'CONNOR. Those are budgetary problems. Even with a balanced budget, Mr. Chairman, it is possible to have a cash problem.

Mr. DIXON. All right. But as I understand what you are saying, it is more than a cash flow problem.

Ms. O'CONNOR. It is, and I am saying two things.

One, the District has cash flow problems having to do with the uneven receipt of revenue.

Mr. DIXON. And I understand that and it is not unusual. A lot of other jurisdictions have the same problem.

Ms. O'CONNOR. Right. Okay. You always have cash problems when you have budgetary problems. Because there are some budgetary problems—for example, the $30 million in the 1993 budget—that budgetary problem compounds your cash problems.

Am I being clear?

Mr. DIXON. Yes. Thank you for the good news.

Ms. O'CONNOR. I think.

SUMMARY OF CITY'S FINANCIAL PROBLEMS

Mr. DIXON. But once again, it is more than a cash flow problem. It is a reduction in anticipated revenues and a status quo or increase in expenditures, isn't it?

Ms. O'CONNOR. Yes.

Mr. DIXON. I don't know if you have any other questions, Mr. Walsh.

Mr. WALSH. On the budget problems or on the language changes?

Mr. DIXON. I was going to go through the appropriations language changes quickly here. These are changes the District is requesting.

Mr. WALSH. I have a lot of questions, but I am not going to ask them now.

Ms. O'CONNOR. Can I pay you a visit, Mr. Walsh?

Mr. WALSH. Let's wait and go down the road a little. I have lots of questions, but I don't have any answers for you.

[CLERK'S NOTE.—The following excerpts are from part 1 of the FY 1993 hearings held June 4, 1993, before the House Committee on Appropriations:]

[Excerpt page 1290, D.C. Treasurer's Statement]

REPAYMENT OF GENERAL FUND RECOVERY BOND DEBT

In September 1991, the District issued $336.6 million in general fund recovery bonds to finance the accumulated general fund deficit that stood at $331.6 million at the end of FY 1990. The difference between the par value of the general fund recovery bonds of $336.6 million and the net proceeds used to eliminate the general fund deficit of $331.6 million is $5.0 million in costs of issuance.

[Excerpt from page 1204, Questions for the Record]

Question:

3. *What did you do with the $331.6 million* from the bond sale—

—did you pay off any of the specific items that made up the deficit?

—or did you deposit the $331.6 million into the District's general fund treasury so that you assets would be equal to or exceed your liabilities?

Answer:

3. A separate account was established on advice from Co-Bond Counsel, specifically for the deposit of the proceeds from the sale of the bonds. The account was established in order to make tracing of the distribution of the proceeds for federal arbitrage compliance

purposes easier. The $331,589,000 in proceeds were used for General Fund purposes. Below is a general list of items that the funds were distributed for.

1. Payroll
2. Medicaid
3. Vendor payments
4. Treasury loan debt service
5. Washington Metropolitan Area Transportation Authority Payment
6. Public Assistance
7. Job Training Program
8. Bureau of Prisons
9. Costs of Issuance for the Borrowing

LANGUAGE CHANGES

WITNESSES

ELLEN M. O'CONNOR, DEPUTY MAYOR FOR FINANCE
PATRICIA BAARS, GENERAL COUNSEL, COUNCIL OF THE DISTRICT OF COLUMBIA
CAROL MEYERS, BUDGET DIRECTOR, COUNCIL OF THE DISTRICT OF COLUMBIA

Mr. DIXON. We have with us Ellen M. O'Connor, the Deputy Mayor for Finance. And we have been joined by representatives of the City Council. And if they will join us at the table.

Ms. BAARS. I am Patricia Baars, the general counsel to the City Council. And with me is Carol Meyers, the budget director for the City Council.

Mr. DIXON. Mr. Walsh and I want to understand, one, the origins of some of these language changes; and two, who is supporting them, whether the Mayor and City Council collectively or independently.

SUMMARY OF PROPOSED LANGUAGE CHANGES

First, we will place in the record a summary of the language changes along with a copy of the complete bill as proposed by the District.

[The material referred to follows:]

LANGUAGE CHANGES - FISCAL YEAR 1994 BUDGET

1. Deletes - Domestic Partners Act language

2. Deletes - Presidential Inauguration Appropriation

3. Deletes - Trauma Care Fund Appropriation

4. Deletes - Language providing that $10,200,000 from the Water and Sewer Utility Payment in Lieu of Taxes Act of 1992 shall be available for the Mayor's youth and crime initiatives.

5. Deletes - the following: together with $1,523,00 to be derived by transfer from the object classes providing personal services under the appropriation heading "Governmental Direction and Support":

6. Deletes - Provided, That the Metropolitan Police Department shall maintain a force of not less than 4,889 officers and members.

7. Deletes - Ear marking amounts for the Police Officers and Fire Fighters' Retirement Fund and Judges Retirement Fund.

8. Deletes - Provision requiring the Police Department to to provide quarterly reports on efforts to increase efficiency and improve the professionalism in the department.

9. Deletes - Provision prohibiting the use of funds appropriated to pay any full-duty employee of the Fire Department who is detailed for more than 30 days annually from his or her assigned position in the Firefighting Division of Emergency Medical Services Department to an unfunded or unauthorized position with the exception of not to exceed four full-duty employees who may be detailed for not to exceed 100 days annually to the Fire Department Training Academy solely for teaching purposes.

10. Deletes - The provision that none of the funds provided in this Act may be used to implement any staffing plan for the Fire Department that includes the elimination of any positions for Administrative Assistants to the Battalion Fire Chiefs of the Firefighting Division.

11. New - Adds a provision requiring the Mayor to promulgate all necessary rules and regulations to provide that no police officer, firefighter, or correctional officer shall be permitted to work for more than ten (10) hours of overtime excluding court time in any one pay period, without the written approval of the Chief of Police,, Chief of the Fire Department, or Director of the Department of Corrections. Such approval shall clearly state specific reasons as to why such overtime was necessary.

12. Deletes - Deletes the following: , of which not to exceed $1,600,000 shall be paid within fifteen (15) days of the enactment of this Act directly to the District of Columbia Public Schools Foundation for the continued implementation of the urban model demonstration initiative in mathematics, science, and technology known as the Anacostia Project ($1,000,000) and for the continued operation of the Cooperative Employment Education Project (not to exceed $600,000)

13. Deletes - , of which $2,000,000 shall be derived from the revenues realized from the "Water and Sewer Utility Payment in Lieu of Taxes Act of 1992"

14. New - Provided further, That no later than December 31, 1993, the Board of Trustees of the University of the District of Columbia shall implement resident and nonresident tuition rate increase of not less than 20% of the rates in effect on April 1, 1993.

15. Deletes - The appropriation "Repayment of General Fund Recovery Debt. Combined with "Repayment of Loans and Interest">

16. New - Appropriation for "Pay Adjustment".

17. Deletes - Inaugural Expenses Appropriation.

18. Deletes - Facilities Rent/Leases Appropriation.

19. Deletes - Trauma Care Fund Appropriation.

20. Deletes - Furlough Adjustment Appropriation.

21. Deletes - Within-Grade Salary Adjustment Appropriation.

22. Deletes - Under Water and Sewer Enterprise Fund - , and $12,200,000 collected as payment in lieu of taxes pursuant to the "Water and Sewer Utility payment in Lieu of Taxes Act of 1992" shall be transferred to the general fund to provide $10,200,000 for the Mayor's youth and crime initiative, and $2,000,000 for the University of the District of Columbia.

23. New - Under the "Starplex Fund" adds for the District of Columbia Courts and $35,000 shall be transferred to the Office of Cable Television.

24. Deletes - The abortion language.

25. Deletes - Deletes Sect. 127. Nothing in this Act shall be construed to authorize any office, agency or entity to expend funds for programs or functions for which a reorganization plan is required but has not been approved by the Council pursuant to section 422(12) of the District of Columbia Self-Government and Governmental Reorganization Act of 1973, approved December 24, 1973 (87 Stat. 790; Public Law 93-198; D.C. Code, sec. 1-242(12)) and the Governmental Reorganization Procedures Act of 1981, effective October 17, 1981 (D.C. Law 4-42; D.C. Code secs. 1-299.1 to 1-299.7). Appropriations made by this Act for such programs or functions are conditioned on the approval by the Council, prior to October 1, 1992, of the required reorganization plans, including but not limited to: the Office of Tourism, the Office of Banking and Financial Institutions, and the transfer of the functions of the Unclaimed Property Unit within the Department of Finance and Revenue to the Office of the Controller.

26. Deletes - Sec. 132. None of the funds provided in this Act may be used by the District of Columbia to provide for the salaries, expenses, or other costs associated with the officers of the United States Senator or United States Representative under section 4(d) of the District of Columbia Statehood Constitutional Convention Initiative of 1979, effective March 10, 1981 (D.C. law 3-171; D.C. Code, sec. 1-113(d)).

27. Deletes - Sec. 133 - Language on closing Cedar Knoll.

28. New - Sec. 130. Nothing in this Act shall be construed to authorize any office, agency or entity to expend funds for programs or functions for which a reorganization plan is required but has not been approved by the Council pursuant to section 422(12) of the District of Columbia Self-Government and Governmental Reorganization Act of 1973, approved December 24, 1973 (87 Stat. 790; Public Law 93-198; D.C. Code, sec. 1-242(12)) ad the Governmental Reorganization Procedures Act of 1981, effective October 17, 198 (D.C. Law 4-42; D.C. Code, secs. 1-299.1 to 1-299.7). Appropriations made by this Act for such programs or functions are conditioned on the approval by the Council, prior to October 1, 1993, of the required reorganization plans.

29. New - Adds the following to the acceptance and use of gift and donation "Provided, That the Council of the District of Columbia may accept and use gifts without prior approval by the Mayor;

30. New - Sec. 132. (a) Up to 50 firefighters or members of the Fire and Emergency Medical Services Department who were hired before February 14, 1980, and who retire or disability before the end of calendar year 1993 shall be excluded from the computation of the rate of disability retirement under subsection 145(a) of the District of Columbia Retirement Reform Act, as amended, approved September 30, 1983 (97 Stat. 727; D.C. Code, sec. 1-725(a)), for purposes of reducing the authorized Federal payment to the District of Columbia Police Officers and Fire Fighters' Retirement Fund pursuant to subsection 145(c) of the District of Columbia Retirement Reform Act.

(b) The Mayor, within 30 days after the enactment of this Act, shall engage an enrolled actuary, to be paid by the District of Columbia Retirement Board, and shall comply with the requirements of section 142(d) and section 144(d) of the District of Columbia Retirement Reform Act of 1970 (Public Law 96-122, D.C. code, secs. 1-722(d) and 1-724(d)).

31. New - Sec. 133. At the end of FY 1994, the number of FTE's shall not exceed the number of FTE's in the approved FY 1994 budget, less a 1% attrition rate and the actual corresponding dollar savings.

32. New - Sec. 134. The Mayor shall establish a program to offer incentives for employees to accept early-out retirement. The Mayor shall report to the Council for approval of the early-out retirement program by mid-fiscal year 1994 with an actuarial study to show the District's liability for the early-out program.

33. Deletes - Sec. 135. (a) None of the funds appropriated by this Act may be used to issue or renew a registration certificate or identification tag for any motor vehicle if unpaid fines, penalties, and other costs for traffic violations in the District of Columbia are outstanding against any registered owner of such vehicle or against any authorized user of any vehicle of such registered owner.

(b) Subsection (a) shall not apply to an issuance or renewal if the Director of the Department of Public Works of the District of Columbia -

(1) determines that special circumstances require a waiver of such subsection with respect to such issuance or renewal;

(2) issues such a waiver in writing, setting forth such circumstances; and

(3) submits written notification of such waiver and circumstances to the Committees on Appropriations of the House of Representatives and the Senate and to the governmental agency having authority to approve such issuances or renewal.

34. New - Sec. 135. (a) None of the funds provided in this Act or any other funds available to the District of Columbia shall be used for any contract to provide goods or services to or on behalf of the District of Columbia which currently are provided by employees, departments, or agencies of the District of Columbia until the Mayor submits to the Council and the Council approves revised contracting policies and procedures.

(b) The revised contracting policies and procedures required by subsection (a) of this section shall provide that:

(1) A cost analysis comparing the in-house costs of providing the service with the costs associated with contracting for the service shall be completed for each contract proposed pursuant to this section;

(2) Contracting out will provide savings over the duration of the contract of at least 10%; and

(3) Any contractor who is awarded a contract that displaces District government employees shall offer comparable employment to these displaced employees at rates of wages and benefits that are comparable to the wages and benefits paid to District government employees.

35. New - Sec. 136. (a) The Mayor shall not award the following types of contracts until after the Council has approved the proposed contract award as provided in this section:

(1) Any contract for goods or services worth over $1,000,000 and any contract for any sum which, when added to other contracts awarded to the same contractor for the same or similar purposes within a fiscal year, exceeds $1,000,000 in contracts with the same contractor, except: (A) contracts warded under the "Competitive sealed bidding" provisions pursuant to section 303 of the District of Columbia Procurement Practices Act of 1985, effective February 21, 1986 (D.C. Law 6-85; D.C. code, sec. 1-1183.3); or (B) contracts to implement a federal program where federal law governs contracting procedures as a condition for the receipt of federal assistance; and

(2) Any contract to provide goods or services, to or on behalf of the District of Columbia, which currently are or traditionally have been provided by employees, departments, or agencies of the District of Columbia.

(b) Prior to the award of a contract covered by this section, the Mayor shall submit a proposed contract award to the Council. The proposed contract award shall be deemed approved 7 calendar days, excluding days of Council recess, after the proposal has been officially introduced in the Council according its rules.unless during that time, an objection to the proposed award, by at least 3 members of the Council, is filed in the Office of the Secretary to the Council.

(c) If an objection to the proposed contract award is filed, the proposed award shall be deemed approved 21 calendar days, excluding days of Council recess, after the proposed award was officially introduced in the Council, unless during that time, the Council adopts a resolution disapproving the proposed award.

(d) The Council may approve or disapprove a proposed contract award by resolution prior to the expiration of the time periods provided in this section.

(e) The approval required by this section shall be a condition precedent to the existence of a District of Columbia contract described in subsection (a) of this section. No contractor may undertake any work, and no District officer or employee may obligate or expend funds, with respect to the performance of a proposed contract prior to Council approval under this section.

36. Deletes - Sec. 136. None of the funds made available, in this Act may be used by the District of Columbia to impose, implement, collect, administer, transfer, or enforce a payment in lieu of taxes on the Water and Sewer Utility Administration that would increase payments required of suburban jurisdictions in Maryland or Virginia under the Blue Plains Intermunicipal Agreement of 1985.

37. Deletes - Sec. 137. (a) Legal Domicile. - The first section of the Act entitled "An Act providing for the incorporation of certain persons as Group Hospitalization, Inc.", approved August 11, 1939 (referred to as "the Act"), is amended by adding at the end thereof the following: "The District of Columbia shall be the legal domicile of the corporation.".

(b) Regulatory Authority. -

(1) In General. - Section 5 of the Act is amended to read as follows:

"Sec. 5. The corporation shall be licensed and regulated by the District of Columbia in accordance with the laws and regulations of the District of Columbia.".

(2) Repeal. - The Act is amended by striking section 7.

(c) Reimbursement of Regulatory Costs by the Corporation. - The Act (as amended by section (b) of this Act) is amended by inserting after section 6 the following new section:

Sec. 7. The corporation shall reimburse the District of Calumba for the costs of insurance regulation (including financial and market conduct examinations) of the corporation and its affiliates and subsidiaries by the District of Columbia.

(d) Effective Date - The amendments made by this section shall take effect on the date of enactment of this Act and expire on September 30, 1993, or upon the enactment of specific authorizing legislation.

38. Deletes - Death Penalty language.

Supplemental Language:

39. New - Additional Federal payment of $28,177,000.

40. Repeals - Repeals the language prohibiting that no funds made available pursuant to any provision of this Act shall be used to implement or enforce any system of registration of unmarried, cohabiting couples whether they are homosexual, lesbian, or heterosexual, including but not limited to registration for the purpose of extending employment, health, or governmental benefits to such couples on the same basis that such benefits are extended to legally married couples; nor shall any funds made available pursuant to any provision of this Act otherwise be used to implement or enforce D.C. Act 9-188, signed by the Mayor of the District of Columbia on April 15, 1992.

41. Repeals - The following provision under this heading for the fiscal year ending September 30, 1993 in the District of Columbia Appropriations Act, 1993, approved October 5, 1992 (Public Law 102-382; 106-1423 is repealed "Provided further, That $10,200,000 of the revenues realized from the "Water and Sewer Utility Payment in Lieu of Taxes act of 1992" shall be available for the Mayor's youth and crime initiative, but shall not be

obligated or expended until the Mayor submits to the Council a plan for the allocation and use of the funds:".

42. Deletes - The following provision under this heading for the fiscal year ending September 30, 1993 in the District of Columbia Appropriations Act, 1993, approved October 5, 1992 (Public Law 1020382; 106 Stat. 1426) is repealed "of which $2,000,000 shall be derived from revenues realized from the "Water and Sewer Utility Payment in Lieu of Taxes Act of 1992";".

43. Repeals - Under the Water and Sewer Enterprise Fund repeals ", and $12,200,000 collected as payment in lieu of taxes pursuant to the "Water and Sewer Utility Payment in Lieu of Taxes Act of 1992" shall be transferred to the general fund to provide $10,200,000 for the Mayor's youth and crime initiative, and $2,000,000 for the University of the District of Columbia".

44. Repeals - Under the Water and Sewer Enterprise Fund repeals "Provided further, That not to exceed $22,705,000 in water and sewer enterprise fund operating revenues shall be available for pay-as-you-go capital projects".

45. Repeals - Sec. 114 - Abortion language.

46. Repeals - Sec. 132 No funds may be used to provide salaries, expenses, or other costs associated with the offices of the United States Senator or United States Representative under section 4(d) of the District of Columbia Statehood Constitutional Convention Initiative of 1979, effective March 10, 1981.

46. New - Sec. 134 Acceptance of gifts and donations adds: "Provided, That the Council of the District of Columbia may accept and use gifts without prior approval by the Mayor.

APPROPRIATION LANGUAGE

(Reflecting District's Federal Payment Request)

An Act

Making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for fiscal year ending September 30, [1993] *1994*, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the District of Columbia for the fiscal year ending September 30, [1993] *1994*, and for other purposes, namely:

TITLE I

FISCAL YEAR [1993]*1994* APPROPRIATIONS

Federal Payment to the District of Columbia

For payment to the District of Columbia for the fiscal year ending September 30, [1993] *1994*, [$624,854,400] *$671,576,000*, as authorized by section 502(a) of the District of Columbia Self-Government and Governmental Reorganization Act, Public Law 93-198, as amended (D.C. Code, sec. 47-3406.1).

Federal Contribution to Retirement Funds

For the Federal contribution to the Police Officers and Fire Fighters', Teachers', and Judges' Retirement Funds, as authorized by the District of Columbia Retirement Reform Act, approved November 17, 1979 (93 Stat. 866; Public Law 96–122), $52,070,000.

[No funds made available pursuant to any provision of this Act shall be used to implement or enforce any system of registration of unmarried, cohabiting couples whether they are homosexual, lesbian, or heterosexual, including but not limited to registration for the purpose of extending employment, health, or governmental benefits to such couples on the same basis that such benefits are extended to legally married couples; nor shall any funds made available pursuant to any provision of this Act otherwise be used to implement or enforce D.C. Act 9-188, signed by the Mayor of the District of Columbia on April 15, 1992.]

[Presidential Inauguration]

[For payment to the District of Columbia in lieu of reimbursements for expenses incurred in connection with Presidential inauguration activities, $5,514,000, as authorized by section 737(b) of the District of Columbia Self-Government and Governmental Reorganization Act, Public Law 93-198, as amended (D.C. Code, sec. 1-1803).]

[Trauma Care Fund]

[For a Federal contribution to establish the Trauma Care Fund, $5,561,600, which shall be used to reimburse the actual cost of uncompensated care provided at Level I trauma centers in the District of Columbia: *Provided*, That no trauma center may receive an amount greater than its proportionate share of the total available in the fund, in any fiscal year, as determined by its proportionate share of total uncompensated care among Level I trauma centers in the District of Columbia for the most recent year such data is available: *Provided further*, That in no case may any trauma center receive more than 35 percent of the total amount available in any one fiscal year: *Provided further*, That these funds are available for obligation and expenditure upon enactment of this Act and shall be subject to any modifications that may be enacted in authorizing legislation.]

Division of Expenses

The following amounts are appropriated for the District of Columbia for the current fiscal year out of the general fund of the District of Columbia, except as otherwise specifically provided.

Governmental Direction and Support

Governmental direction and support, [$115,591,000] *$118,543,000*: *Provided*, That not to exceed $2,500 for the Mayor, $2,500 for the Chairman of the Council of the District of Columbia, and $2,500 for the City Administrator shall be available from this appropriation for expenditures for official purposes: [*Provided further*, That $10,200,000 of the revenues realized from the "Water and Sewer Utility Payment in Lieu of Taxes Act of 1992" shall be available for the Mayor's youth and crime initiative, but shall not be obligated or expended until the Mayor submits to the Council a plan for the allocation and use of the funds:] *Provided further*, That any program fees collected from the issuance of debt shall be available for the payment of expenses of the debt management program of the District of Columbia: *Provided further*, That notwithstanding any other provision of law, there is hereby appropriated from the earnings of the applicable retirement funds [$10,292,000] *$10,801,000* to pay legal, management, investment, and other fees and administrative expenses of the District of Columbia Retirement Board:

Provided further, That the District of Columbia Retirement Board shall provide to the Congress and to the Council of the District of Columbia a quarterly report of the allocations of charges by fund and of expenditures of all funds: *Provided further*, That the District of Columbia Retirement Board shall provide the Mayor, for transmittal to the Council of the District of Columbia, an item accounting of the planned use of appropriated funds in time for each annual budget submission and the actual use of such funds in time for each annual audited financial report.

Economic Development and Regulation

Economic development and regulation, [$102,888,000] *$85,348,000: Provided*, That the District of Columbia Housing Finance Agency, established by section 201 of the District of Columbia Housing Finance Agency Act, effective March 3, 1979 (D.C. Law 2-135; D.C. Code, sec. 45-2111), based upon its capability of repayments as determined each year by the Council of the District of Columbia from the *Housing* Finance Agency's annual audited financial statements to the Council of the District of Columbia, shall repay to the general fund an amount equal to the appropriated administrative costs plus interest at a rate of four percent per annum for a term of 15 years, with a deferral of payments for the first three years: *Provided further*, That notwithstanding the foregoing provision, the obligation to repay all or part of the amounts due shall be subject to the rights of the owners of any bonds or notes issued by the *Housing* Finance Agency and shall be repaid to the District of Columbia government only from available operating revenues of the *Housing* Finance Agency that are in excess of the amounts required for debt service, reserve funds, and operating expenses: *Provided further*, That upon commencement of the debt service payments, such payments shall be deposited into the general fund of the District of Columbia.

Public Safety and Justice

[(Including Transfer of Funds)]

Public safety and justice, including purchase of 135 passenger-carrying vehicles for replacement only, including 130 for police-type use and five for fire-type use, without regard to the general purchase price limitation for the current fiscal year, [$945,551,000] *$904,550,000*[, together with $1,523,000 to be derived by transfer from the object classes providing personal services under the appropriation heading "Governmental Direction and Support":] [*Provided*, That the Metropolitan Police Department shall maintain a force of not less than 4,889 officers and members:] [*Provided further*, That $188,200,000 shall be allocated for the Police Officers and Fire Fighters' Retirement Fund and $4,300,000 shall be allocated for the Judges' Retirement Fund]: *Provided* [*further*], That the Metropolitan Police Department is authorized to replace not to exceed 25 passenger-carrying vehicles and the Fire Department of the District of Columbia

is authorized to replace not to exceed five passenger-carrying vehicles annually whenever the cost of repair to any damaged vehicle exceeds three-fourths of the cost of the replacement: *Provided further*, That not to exceed $500,000 shall be available from this appropriation for the Chief of Police for the prevention and detection of crime: [*Provided further*, That the Metropolitan Police Department shall provide quarterly reports to the Committees on Appropriations of the House and Senate on efforts to increase efficiency and improve the professionalism in the department:] *Provided further*, That notwithstanding any other provision of law, or Mayor's Order 86-45, issued March 18, 1986, the Metropolitan Police Department's delegated small purchase authority shall be $500,000: *Provided further*, That the District of Columbia government may not require the Metropolitan Police Department to submit to any other procurement review process, or to obtain the approval of or be restricted in any manner by any official or employee of the District of Columbia government, for purchases that do not exceed $500,000: [*Provided further*, That none of the funds appropriated by this Act shall be used to pay any full-duty employee of the District of Columbia Fire and Emergency Medical Services Department who is detailed for more than 30 days annually from his or her assigned position in the Firefighting Division or Emergency Ambulance Division to an unfunded or unauthorized position with the exception of not to exceed four (4) full-duty employees who may be detailed for not to exceed 100 days annually to the Fire Department Training Academy solely for teaching purposes:] *Provided further*, That funds appropriated for expenses under the District of Columbia Criminal Justice Act, approved September 3, 1974 (88 Stat. 1090; Public Law 93-412; D.C. Code, sec. 11-2601 et seq.), for the fiscal year ending September 30, [1993] *1994*, shall be available for obligations incurred under the Act in each fiscal year since inception in the fiscal year 1975: *Provided further*, That funds appropriated for expenses under the District of Columbia Neglect Representation Equity Act of 1984, effective March 13, 1985 (D.C. Law 5-129; D.C. Code, sec. 16-2304), for the fiscal year ending September 30, [1993] *1994*, shall be available for obligations incurred under the Act in each fiscal year since inception in the fiscal year 1985: *Provided further*, That funds appropriated for expenses under the District of Columbia Guardianship, Protective Proceedings, and Durable Power of Attorney Act of 1986, effective February 27, 1987 (D.C. Law 6-204; D. C. Code, sec. 21-2060), for the fiscal year ending September 30, [1993] *1994*, shall be available for obligations incurred under the Act in each fiscal year since inception in fiscal year 1989: *Provided further*, That not to exceed $1,500 for the Chief Judge of the District of Columbia Court of Appeals, $1,500 for the Chief Judge of the Superior Court of the District of Columbia, and $1,500 for the Executive Officer of the District of Columbia Courts shall be available from this appropriation for official purposes: *Provided further*, That the District of Columbia shall operate and maintain a free, 24-hour telephone information service whereby residents of the area surrounding Lorton prison in Fairfax County, Virginia, can promptly obtain information from District of Columbia government officials on all disturbances at the prison, including

escapes, fires, riots, and similar incidents: *Provided further*, That the District of Columbia government shall also take steps to publicize the availability of the 24-hour telephone information service among the residents of the area surrounding the Lorton prison: *Provided further*, That not to exceed $100,000 of this appropriation shall be used to reimburse Fairfax County, Virginia, and Prince William County, Virginia, for expenses incurred by the counties during the fiscal year ending September 30, [1993] *1994*, in relation to the Lorton prison complex: *Provided further*, That such reimbursements shall be paid in all instances in which the District requests the counties to provide police, fire, rescue, and related services to help deal with escapes, riots, and similar disturbances involving the prison: [*Provided further*, That none of the funds provided in this Act may be used to implement any staffing plan for the District of Columbia Fire Department that includes the elimination of any positions for Administrative Assistants to the Battalion Fire Chiefs of the Firefighting Division of the Department:] *Provided further*, That the Mayor shall reimburse the District of Columbia National Guard for expenses incurred in connection with services that are performed in emergencies by the National Guard in a militia status and are requested by the Mayor, in amounts that shall be jointly determined and certified as due and payable for these services by the Mayor and the Commanding General of the District of Columbia National Guard: *Provided further*, That such sums as may be necessary for reimbursement to the District of Columbia National Guard under the preceding proviso shall be available from this appropriation, and the availability of the sums shall be deemed as constituting payment in advance for the emergency services involved: *Provided further, That the Mayor shall promulgate all necessary rules and regulations to provide that no police officer, firefighter, or correctional officer shall be permitted to work for more than ten (10) hours of overtime excluding court time in any one pay period, without the written approval of the Chief of Police, Chief of the Fire Department, or Director of the Department of Corrections. Such approval shall clearly state specific reasons as to why such overtime was necessary.*

Public Education System

Public education system, including the development of national defense education programs, [$713,592,000] *$711,813,000*, to be allocated as follows: [$513,552,000] *$517,682,000* for the public schools of the District of Columbia[, of which not to exceed $1,600,000 shall be paid within fifteen (15) days of the enactment of this Act directly to the District of Columbia Public Schools Foundation for the continued implementation of the urban model demonstration initiative in mathematics, science, and technology known as the Anacostia Project ($1,000,000) and for the continued operation of the Cooperative Employment Education Project (not to exceed $600,000)]; [$98,800,000] *$98,600,000* shall be allocated for the District of Columbia Teachers' Retirement Fund; [$71,995,000] *$65,739,000* for the University of the District of Columbia[, of which $2,000,000

shall be derived from the revenues realized from the "Water and Sewer Utility Payment in Lieu of Taxes Act of 1992"]; [$20,978,000] *$21,260,000* for the Public Library, of which $200,000 shall be transferred to the Children's Museum; [$3,527,000] *$3,540,000* for the Commission on the Arts and Humanities; $4,500,000 for the District of Columbia School of Law; and [$240,000] *$492,000* for the Education Licensure Commission: *Provided*, That the public schools of the District of Columbia are authorized to accept not to exceed 31 motor vehicles for exclusive use in the driver education program: *Provided further*, That not to exceed $2,500 for the Superintendent of Schools, $2,500 for the President of the University of the District of Columbia, and $2,000 for the Public Librarian shall be available from this appropriation for expenditures for official purposes: *Provided further, That no later than December 31, 1993, the Board of Trustees of the University of the District of Columbia shall implement resident and nonresident tuition rate increases of not less than 20% of the rates in effect on April 1, 1993: Provided further*, That this appropriation shall not be available to subsidize the education of nonresidents of the District of Columbia at the University of the District of Columbia, unless the Board of Trustees of the University of the District of Columbia adopts, for the fiscal year ending September 30, [1993] *1994*, a tuition rate schedule that will establish the tuition rate for nonresident students at a level no lower than the nonresident tuition rate charged at comparable public institutions of higher education in the metropolitan area.

Human Support Services

Human support services, [$886,777,000] *$914,830,000*: *Provided*, That [$19,015,000] *$17,905,000* of this appropriation, to remain available until expended, shall be available solely for District of Columbia employees' disability compensation: *Provided further*, That the District shall not provide free government services such as water, sewer, solid waste disposal or collection, utilities, maintenance, repairs, or similar services to any legally constituted private nonprofit organization (as defined in section 411(5) of Public Law 100-77, approved July 22, 1987) providing emergency shelter services in the District, if the District would not be qualified to receive reimbursement pursuant to the Stewart B. McKinney Homeless Act, approved July 22, 1987 (101 Stat. 485; Public Law 100-77; 42 U.S.C. 11301 et seq.).

Public Works

Public works, including rental of one passenger-carrying vehicle for use by the Mayor and three passenger-carrying vehicles for use by the Council of the District of Columbia and purchase of passenger-carrying vehicles for replacement only, [$227,622,000] *$215,749,000*: *Provided*, That this appropriation shall not be available for collecting ashes or miscellaneous refuse from hotels and places of business.

Washington Convention Center Fund

For the Washington Convention Center Fund, [$13,250,000] *$12,850,000.*

Repayment of Loans and Interest

For reimbursement to the United States of funds loaned in compliance with An Act to provide for the establishment of a modern, adequate, and efficient hospital center in the District of Columbia, approved August 7, 1946 (60 Stat. 896; Public Law 79-648); section 1 of An Act to authorize the Commissioners of the District of Columbia to borrow funds for capital improvement programs and to amend provisions of law relating to Federal Government participation in meeting costs of maintaining the Nation's Capital City, approved June 6, 1958 (72 Stat. 183; Public Law 85-451; D.C. Code, sec. 9-219); section 4 of An Act to authorize the Commissioners of the District of Columbia to plan, construct, operate, and maintain a sanitary sewer to connect the Dulles International Airport with the District of Columbia system, approved June 12, 1960 (74 Stat. 211; Public Law 86-515); sections 723 and 743(f) of the District of Columbia Self-Government and Governmental Reorganization Act of 1973, approved December 24, 1973[, as amended] (87 Stat. 821; Public Law 93-198; D.C. Code, sec. 47-321, note; 91 Stat. 1156; Public Law 95-131; D.C. Code, sec. 9-219, note; *105 Stat. 540; Public Law 102-106; D.C. Code, sec. 47-321(a))*, including interest as required thereby, [$291,299,000] *$351,285,000.*

[Repayment of General Fund Recovery Debt]

[For the purpose of eliminating the $331,589,000 general fund accumulated deficit as of September 30, 1990, $38,342,000, as authorized by section 461(a) of the District of Columbia Self-Government and Governmental Reorganization Act, approved December 24, 1973, as amended (105 Stat. 540; Public Law 102-106; D.C. Code, sec. 47-321(a)).]

Optical and Dental Benefits

For optical and dental costs for nonunion employees, $3,423,000.

Pay Adjustment

For pay increases and related costs, to be transferred by the Mayor of the District of Columbia within the various appropriation headings in this Act for fiscal year 1994 from which employees are properly payable, $70,680,000.

[Inaugural Expenses]

[For reimbursement for necessary expenses incurred in connection with Presidential inauguration activities as authorized by section 737(b) of the District of Columbia Self-Government and Governmental Reorganization Act, Public Law 93-198, approved December 24, 1973 (87 Stat. 824; D. C. Code, sec. 1-1803), $5,514,000, which shall be apportioned by the Mayor within the various appropriation headings in this Act.]

[Facilities Rent/Leases]

[For the purpose of funding costs associated with the rental and leasing of facilities for governmental purposes, $16,682,000.]

[Trauma Care Fund]

[For the purpose of establishing the Trauma Care Fund, $5,561,600, which shall be used to reimburse the actual cost of uncompensated care provided at Level I trauma centers in the District of Columbia: *Provided*, That no trauma center may receive an amount greater than its proportionate share of the total available in the fund, in any fiscal year, as determined by its proportionate share of total uncompensated care among Level I trauma centers in the District of Columbia for the most recent year such data is available: *Provided further*, That in no case may any trauma center receive more than 35 percent of the total amount available in any one fiscal year: *Provided further*, That these funds are available for obligation and expenditure upon enactment of this Act and shall be subject to any modifications that may be enacted in authorizing legislation.]

[Furlough Adjustment]

[Each agency, office, and instrumentality of the District, except the District of Columbia courts, shall furlough each employee of the respective agency, office, or instrumentality for one day in each month of the fiscal year ending September 30, 1993, or a proportional number of hours for part-time employees. The personal services spending authority for each agency, office, and instrumentality subject to this section is reduced in an amount equal to the savings resulting from the employee furloughs required by this section, for a total reduction of $36,000,000. The Council shall enact legislation to implement this section which may include but shall not be limited to procedures to ensure that public health and safety functions are carried out.]

[Within-Grade Salary Adjustments]

[Notwithstanding any other provision of law, no employee of any agency, office, or instrumentality of the District shall receive within-grade salary increases during the fiscal year ending September 30, 1993, and no time during the fiscal year ending September 30, 1993 shall accrue toward the waiting period for advancement to the following rate within the grade. The spending authority for each agency, office and instrumentality is reduced in an amount equal to the savings resulting from the adjustments required by this section, for a total reduction of $13,000,000.]

[Personal and Nonpersonal Services Adjustments]

[The Mayor shall reduce appropriations and expenditures for personal and nonpersonal services in the amount of $30,798,600, within one or several of the various appropriation headings in this Act.]

Capital Outlay

For construction projects, [$393,639,000] *$108,743,000*, as authorized by An Act authorizing the laying of water mains and service sewers in the District of Columbia, the levying of assessments therefor, and for other purposes, approved April 22, 1904 (33 Stat. 244; Public Law 58-140; D.C. Code, secs. 43-1512 through 43-1519); the District of Columbia Public Works Act of 1954, approved May 18, 1954 (68 Stat. 101; Public Law 83-364); An Act to authorize the Commissioners of the District of Columbia to borrow funds for capital improvement programs and to amend provisions of law relating to Federal Government participation in meeting costs of maintaining the Nation's Capital City, approved June 6, 1958 (72 Stat. 183; Public Law 85-451; D.C. Code, secs. 9-219 and 47-3402); section 3(g) of the District of Columbia Motor Vehicle Parking Facility Act of 1942, approved August 20, 1958 (72 Stat. 686; Public Law 85-692; D.C. Code, sec. 40-805(7)); and the National Capital Transportation Act of 1969, approved December 9, 1969 (83 Stat. 320; Public Law 91-143; D.C. Code, secs. 1-2451, 1-2452, 1-2454, 1-2456, and 1-2457); including acquisition of sites, preparation of plans and specifications, conducting preliminary surveys, erection of structures, including building improvement and alteration and treatment of grounds, to remain available until expended: *Provided*, That [$13,779,000] *$5,992,551* shall be available for project management and *a decrease of* [$12,749,000] *$9,263,383* for design by the Director of the Department of Public Works or by contract for architectural engineering services, as may be determined by the Mayor: *Provided further*, That funds for use of each capital project implementing agency shall be managed and controlled in accordance with all procedures and limitations established under the Financial Management System: *Provided further*, That all funds provided by this appropriation title shall be

available only for the specific projects and purposes intended: *Provided further*, That notwithstanding the foregoing, all authorizations for capital outlay projects, except those projects covered by the first sentence of section 23(a) of the Federal-Aid Highway Act of 1968, approved August 23, 1968 (82 Stat. 827; Public Law 90-495; D.C. Code, sec. 7-134, note), for which funds are provided by this appropriation title, shall expire on September 30, [1994] *1995*, except authorizations for projects as to which funds have been obligated in whole or in part prior to September 30, [1994] *1995*: *Provided further*, That upon expiration of any such project authorization the funds provided herein for the project shall lapse.

Water and Sewer Enterprise Fund

For the Water and Sewer Enterprise Fund, [$251,630,000] *$240,929,000*, of which [$39,602,000] *$40,438,000* shall be apportioned and payable to the debt service fund for repayment of loans and interest incurred for capital improvement projects[, and $12,200,000 collected as payment in lieu of taxes pursuant to the "Water and Sewer Utility Payment in Lieu of Taxes Act of 1992" shall be transferred to the general fund to provide $10,200,000 for the Mayor's youth and crime initiative, and $2,000,000 for the University of the District of Columbia].

For construction projects, [$45,908,000] *$29,087,000*, as authorized by An Act authorizing the laying of water mains and service sewers in the District of Columbia, the levying of assessments therefor, and for other purposes, approved April 22, 1904 (33 Stat. 244; Public Law 58-140; D.C. Code, sec. 43-1512 et seq.): *Provided*, That the requirements and restrictions that are applicable to general fund capital improvement projects and set forth in this Act under the Capital Outlay appropriation title shall apply to projects approved under this appropriation title[: *Provided further*, That not to exceed $22,705,000 in water and sewer enterprise fund operating revenues shall be available for pay-as-you-go capital projects].

Lottery and Charitable Games Enterprise Fund

For the Lottery and Charitable Games Enterprise Fund, established by the District of Columbia Appropriation Act for the fiscal year ending September 30, 1982, approved December 4, 1981 (95 Stat. 1174, 1175; Public Law 97-91), as amended, for the purpose of implementing the Law to Legalize Lotteries, Daily Numbers Games, and Bingo and Raffles for Charitable Purposes in the District of Columbia, effective March 10, 1981 (D.C. Law 3-172; D.C. Code, secs. 2-2501 et seq. and 22-1516 et seq.), [$8,450,000] *$7,168,000*, to be derived from non-Federal District of Columbia revenues: *Provided*, That the District of Columbia shall identify the source of funding for this appropriation title from the District's own locally-generated revenues: *Provided further*, That no revenues

from Federal sources shall be used to support the operations or activities of the Lottery and Charitable Games Control Board.

Cable Television Enterprise Fund

For the Cable Television Enterprise Fund, established by the Cable Television Communications Act of 1981, effective October 22, 1983 (D.C. Law 5-36; D.C. Code, sec. 43-1801 et seq.), [$2,500,000] *$2,353,000*.

Starplex Fund

For the Starplex Fund, an amount necessary for the expenses incurred by the Armory Board in the exercise of its powers granted by An Act To Establish a District of Columbia Armory Board, and for other purposes, approved June 4, 1948 (62 Stat. 339; D.C. Code, sec. 2-301 et seq.) and the District of Columbia Stadium Act of 1957, approved September 7, 1957 (71 Stat. 619; Public Law 85-300; D. C. Code, sec. 2-321 et seq.) of which [$1,847,000] *$1,742,000* shall be transferred to the general fund *for the District of Columbia Courts and $35,000 shall be transferred to the Office of Cable Television*: *Provided*, That the Mayor shall submit a budget for the Armory Board for the forthcoming fiscal year as required by section 442(b) of the District of Columbia Self-Government and Governmental Reorganization Act, approved December 24, 1973 (87 Stat. 824; Public Law 93-198; D.C. Code, sec. 47-301(b)).

General Provisions

Sec. 101. The expenditure of any appropriation under this Act for any consulting service through procurement contract, pursuant to 5 U.S.C. 3109, shall be limited to those contracts where such expenditures are a matter of public record and available for public inspection, except where otherwise provided under existing law, or under existing Executive order issued pursuant to existing law.

Sec. 102. Except as otherwise provided in this Act, all vouchers covering expenditures of appropriations contained in this Act shall be audited before payment by the designated certifying official and the vouchers as approved shall be paid by checks issued by the designated disbursing official.

Sec. 103. Whenever in this Act, an amount is specified within an appropriation for particular purposes or objects of expenditure, such amount, unless otherwise specified, shall be considered as the maximum amount that may be expended for said purpose or object rather than an amount set apart exclusively therefor.

Sec. 104. Appropriations in this Act shall be available, when authorized by the Mayor, for allowances for privately owned automobiles and motorcycles used for the performance of official duties at rates established by the Mayor: *Provided*, That such rates shall not exceed the maximum prevailing rates for such vehicles as prescribed in the Federal Property Management Regulations 101-7 (Federal Travel Regulations).

Sec. 105. Appropriations in this Act shall be available for expenses of travel and for the payment of dues of organizations concerned with the work of the District of Columbia government, when authorized by the Mayor: *Provided*, That the Council of the District of Columbia and the District of Columbia Courts may expend such funds without authorization by the Mayor.

Sec. 106. There are appropriated from the applicable funds of the District of Columbia such sums as may be necessary for making refunds and for the payment of judgments that have been entered against the District of Columbia government: *Provided*, That nothing contained in this section shall be construed as modifying or affecting the provisions of section 11(c)(3) of title XII of the District of Columbia Income and Franchise Tax Act of 1947, approved March 31, 1956 (70 Stat. 78; Public Law 84-460; D.C. Code, sec. 47-1812.11(c)(3)).

Sec. 107. Appropriations in this Act shall be available for the payment of public assistance without reference to the requirement of section 544 of the District of Columbia Public Assistance Act of 1982, effective April 6, 1982 (D.C. Law 4-101; D.C. Code, sec. 3-205.44), and for the non-Federal share of funds necessary to qualify for Federal assistance under the Juvenile Delinquency Prevention and Control Act of 1968, approved July 31, 1968 (82 Stat. 462; Public Law 90-445; 42 U.S.C. 3801 et seq.).

Sec. 108. No part of any appropriation contained in this Act shall remain available for obligation beyond the current fiscal year unless expressly so provided herein.

Sec. 109. No funds appropriated in this Act for the District of Columbia government for the operation of educational institutions, the compensation of personnel, or for other educational purposes may be used to permit, encourage, facilitate, or further partisan political activities. Nothing herein is intended to prohibit the availability of school buildings for the use of any community or partisan political group during non-school hours.

Sec. 110. The annual budget for the District of Columbia government for the fiscal year ending September 30, [1994] *1995*, shall be transmitted to the Congress no later than April 15, [1993] *1994*.

Sec. 111. None of the funds appropriated in this Act shall be made available to pay the salary of any employee of the District of Columbia government whose name, title, grade, salary, past work experience, and salary history are not available for inspection by the House and Senate Committees on Appropriations, the House Committee on the District of Columbia, the Subcommittee on General Services, Federalism, and the District of Columbia of the Senate Committee on Governmental Affairs, and the Council of the District of Columbia, or their duly authorized representative: *Provided*, That none of the funds contained in this Act shall be made available to pay the salary of any employee of the District of Columbia government whose name and salary are not available for public inspection.

Sec. 112. There are appropriated from the applicable funds of the District of Columbia such sums as may be necessary for making payments authorized by the District of Columbia Revenue Recovery Act of 1977, effective September 23, 1977 (D.C. Law 2-20; D.C. Code, sec. 47-421 et seq.).

Sec. 113. No part of this appropriation shall be used for publicity or propaganda purposes or implementation of any policy including boycott designed to support or defeat legislation pending before Congress or any State legislature.

[Sec. 114. None of the funds contained in this Act shall be used to perform abortions except where the life of the mother would be endangered if the fetus were carried to term.]

Sec. [115] *114*. At the start of the fiscal year, the Mayor shall develop an annual plan, by quarter and by project, for capital outlay borrowings: *Provided*, That within a reasonable time after the close of each quarter, the Mayor shall report to the Council of the District of Columbia and the Congress the actual borrowing and spending progress compared with projections.

Sec. [116] *115*. The Mayor shall not borrow any funds for capital projects unless the Mayor has obtained prior approval from the Council of the District of Columbia, by resolution, identifying the projects and amounts to be financed with such borrowings.

Sec. [117] *116*. The Mayor shall not expend any moneys borrowed for capital projects for the operating expenses of the District of Columbia government.

Sec. [118] *117*. None of the funds appropriated by this Act may be obligated or expended by reprogramming except pursuant to advance approval of the reprogramming granted according to the procedure set forth in the Joint Explanatory Statement of the Committee of Conference (House Report No. 96-443), which accompanied the District of Columbia Appropriation Act, 1980,

approved October 30, 1979 (93 Stat. 713; Public Law 96-93), as modified in House Report No. 98-265, and in accordance with the Reprogramming Policy Act of 1980, effective September 16, 1980 (D.C. Law 3-100; D.C. Code, sec. 47-361 et seq.).

Sec. [119] *118.* None of the Federal funds provided in this Act shall be obligated or expended to provide a personal cook, chauffeur, or other personal servants to any officer or employee of the District of Columbia.

Sec. [120] *119.* None of the Federal funds provided in this Act shall be obligated or expended to procure passenger automobiles as defined in the Automobile Fuel Efficiency Act of 1980, approved October 10, 1980 (94 Stat. 1824; Public Law 96-425; 15 U.S.C. 2001(2)), with an Environmental Protection Agency estimated miles per gallon average of less than 22 miles per gallon: *Provided*, That this section shall not apply to security, emergency rescue, or armored vehicles.

Sec. [121] *120.* (a) Notwithstanding section 422(7) of the District of Columbia Self-Government and Governmental Reorganization Act of 1973, approved December 24, 1973 (87 Stat. 790; Public Law 93-198; D.C. Code, sec. 1-242(7)), the City Administrator shall be paid, during any fiscal year, a salary at a rate established by the Mayor, not to exceed the rate established for level IV of the Executive Schedule under 5 U.S.C. 5315.

(b) For purposes of applying any provision of law limiting the availability of funds for payment of salary or pay in any fiscal year, the highest rate of pay established by the Mayor under subsection (a) of this section for any position for any period during the last quarter of calendar year [1992] *1993* shall be deemed to be the rate of pay payable for that position for September 30, [1992] *1993*.

(c) Notwithstanding section 4(a) of the District of Columbia Redevelopment Act of 1945, approved August 2, 1946 (60 Stat. 793; Public Law 79-592; D.C. Code, sec. 5-803(a)), the Board of Directors of the District of Columbia Redevelopment Land Agency shall be paid, during any fiscal year, per diem compensation at a rate established by the Mayor.

Sec. [122] *121.* Notwithstanding any other provisions of law, the provisions of the District of Columbia Government Comprehensive Merit Personnel Act of 1978, effective March 3, 1979 (D.C. Law 2-139; D.C. Code, sec. 1-601.1 et seq.), enacted pursuant to section 422(3) of the District of Columbia Self-Government and Governmental Reorganization Act of 1973, approved December 24, 1973 (87 Stat. 790; Public Law 93-198; D.C. Code, sec. 1-242(3)), shall apply with respect

to the compensation of District of Columbia employees: *Provided*, That for pay purposes, employees of the District of Columbia government shall not be subject to the provisions of title 5 of the United States Code.

Sec. [123] *122*. The Director of the Department of Administrative Services may pay rentals and repair, alter, and improve rented premises, without regard to the provisions of section 322 of the Economy Act of 1932 (Public Law 72-212; 40 U.S.C. 278a), upon a determination by the Director, that by reason of circumstances set forth in such determination, the payment of these rents and the execution of this work, without reference to the limitations of section 322, is advantageous to the District in terms of economy, efficiency, and the District's best interest.

Sec. [124] *123*. No later than 30 days after the end of the first quarter of the fiscal year ending September 30, [1993] *1994*, the Mayor of the District of Columbia shall submit to the Council of the District of Columbia the new fiscal year [1993] *1994* revenue estimates as of the end of the first quarter of fiscal year [1993] *1994*. These estimates shall be used in the budget request for the fiscal year ending September 30, [1994] *1995*. The officially revised estimates at midyear shall be used for the midyear report.

Sec. [125] *124*. Section 466(b) of the District of Columbia Self-Government and Governmental Reorganization Act of 1973, approved December 24, 1973 (87 Stat. 806; Public Law 93-198; D.C. Code, sec. 47-326), as amended, is amended by striking "sold before October 1, [1992] *1993*" and inserting "sold before October 1, [1993] *1994*".

Sec. [126] *125*. No sole source contract with the District of Columbia government or any agency thereof may be renewed or extended without opening that contract to the competitive bidding process as set forth in section 303 of the District of Columbia Procurement Practices Act of 1985, effective February 21, 1986 (D.C. Law 6-85; D.C. Code, sec. 1-1183.3), except that the District of Columbia Public Schools may renew or extend sole source contracts for which competition is not feasible or practical, provided that the determination as to whether to invoke the competitive bidding process has been made in accordance with duly promulgated Board of Education rules and procedures.

[Sec. 127. Nothing in this Act shall be construed to authorize any office, agency or entity to expend funds for programs or functions for which a reorganization plan is required but has not been approved by the Council pursuant to section 422(12) of the District of Columbia Self-Government and Governmental Reorganization Act of 1973, approved December 24, 1973 (87 Stat. 790; Public Law 93-198; D.C. Code, sec. 1-242(12)) and the Governmental Reorganization Procedures Act of 1981, effective October 17, 1981 (D.C. Law 4–42; D.C. Code,

secs. 1-299.1 to 1-299.7). Appropriations made by this Act for such programs or functions are conditioned on the approval by the Council, prior to October 1, 1992, of the required reorganization plans, including but not limited to: the Office of Tourism, the Office of Banking and Financial Institutions, and the transfer of the functions of the Unclaimed Property Unit within the Department of Finance and Revenue to the Office of the Controller.]

Sec. [128] *126.* For purposes of the Balanced Budget and Emergency Deficit Control Act of 1985, approved December 12, 1985 (99 Stat. 1037; Public Law 99-177), as amended, the term "program, project, and activity" shall be synonymous with and refer specifically to each account appropriating Federal funds in this Act, and any sequestration order shall be applied to each of the accounts rather than to the aggregate total of those accounts: *Provided*, That sequestration orders shall not be applied to any account that is specifically exempted from sequestration by the Balanced Budget and Emergency Deficit Control Act of 1985, approved December 12, 1985 (99 Stat. 1037; Public Law 99-177), as amended.

Sec. [129] *127.* In the event a sequestration order is issued pursuant to the Balanced Budget and Emergency Deficit Control Act of 1985, approved December 12, 1985 (99 Stat. 1037; Public Law 99-177), as amended, after the amounts appropriated to the District of Columbia for the fiscal year involved have been paid to the District of Columbia, the Mayor of the District of Columbia shall pay to the Secretary of the Treasury, within 15 days after receipt of a request therefor from the Secretary of the Treasury, such amounts as are sequestered by the order: *Provided*, That the sequestration percentage specified in the order shall be applied proportionately to each of the Federal appropriation accounts in this Act that are not specifically exempted from sequestration by the Balanced Budget and Emergency Deficit Control Act of 1985, approved December 12, 1985 (99 Stat. 1037; Public Law 99-177), as amended.

Sec. [130] *128.* Sec. 133(e) of the District of Columbia Appropriations Act, 1990, as amended, is amended by striking "December 31, [1992] *1993*" and inserting "December 31, [1993] *1994*".

Sec. [131] *129.* For the fiscal year ending September 30, [1993] *1994*, the District of Columbia shall pay interest on its quarterly payments to the United States that are made more than 60 days from the date of receipt of an itemized statement from the Federal Bureau of Prisons of amounts due for housing District of Columbia convicts in Federal penitentiaries for the preceding quarter.

[Sec. 132. None of the funds provided in this Act may be used by the District of Columbia to provide for the salaries, expenses, or other costs associated with the offices of United States Senator or United States Representative under

section 4(d) of the District of Columbia Statehood Constitutional Convention Initiative of 1979, effective March 10, 1981 (D.C. Law 3-171; D.C. Code, sec. 1-113(d)).]

[Sec. 133. None of the funds made available in this Act may be used by the District of Columbia to operate, after June 1, 1993, the juvenile detention facility known as the Cedar Knoll Facility. The Mayor shall transmit a plan and timetable for closing the Cedar Knoll Facility to the Committees on Appropriations of the House of Representatives and the Senate by January 15, 1993.]

Sec. 130. Nothing in this Act shall be construed to authorize any office, agency or entity to expend funds for programs or functions for which a reorganization plan is required but has not been approved by the Council pursuant to section 422(12) of the District of Columbia Self-Government and Governmental Reorganization Act of 1973, approved December 24, 1973 (87 Stat. 790; Public Law 93-198; D.C. Code, sec. 1-242(12)) and the Governmental Reorganization Procedures Act of 1981, effective October 17, 1981 (D.C. Law 4-42; D.C. Code, secs. 1-299.1 to 1-299.7). Appropriations made by this Act for such programs or functions are conditioned on the approval by the Council, prior to October 1, 1993, of the required reorganization plans.

Sec. [134] *131.* (a) An entity of the District of Columbia government may accept and use a gift or donation during fiscal year [1993] *1994* if–

(1) the Mayor approves the acceptance and use of the gift or donation*: Provided, That the Council of the District of Columbia may accept and use gifts without prior approval by the Mayor;* and

(2) the entity uses the gift or donation to carry out its authorized functions or duties.

(b) Each entity of the District of Columbia government shall keep accurate and detailed records of the acceptance and use of any gift or donation under subsection (a) of this section, and shall make such records available for audit and public inspection.

(c) For the purposes of this section, the term "entity of the District of Columbia government" includes an independent agency of the District of Columbia.

(d) This section shall not apply to the District of Columbia Board of Education, which may, pursuant to the laws and regulations of the District of Columbia, accept and use gifts to the public schools without prior approval by the Mayor.

Sec. 132. (a) Up to 50 firefighters or members of the Fire and Emergency Medical Services Department who were hired before February 14, 1980, and who retire on disability before the end of calendar year 1993 shall be excluded from the computation of the rate of disability retirement under subsection 145(a) of the District of Columbia Retirement Reform Act, as amended, approved September 30, 1983 (97 Stat. 727; D.C. Code, sec. 1-725(a)), for purposes of reducing the authorized Federal payment to the District of Columbia Police Officers and Fire Fighters' Retirement Fund pursuant to subsection 145(c) of the District of Columbia Retirement Reform Act.

(b) The Mayor, within 30 days after the enactment of this Act, shall engage an enrolled actuary, to be paid by the District of Columbia Retirement Board, and shall comply with the requirements of section 142(d) and section 144(d) of the District of Columbia Retirement Reform Act of 1970 (Public Law 96-122, D.C. Code, secs. 1-722(d) and 1-724(d)).

Sec. 133. At the end of FY 1994, the number of FTE's shall not exceed the number of FTE's in the approved FY 1994 budget, less a 1% attrition rate and the actual corresponding dollar savings.

Sec. 134. The Mayor shall establish a program to offer incentives for employees to accept early-out retirement. The Mayor shall report to the Council for approval of the early-out retirement program by mid-fiscal year 1994 with an actuarial study to show the District's liability for the early-out program.

[Sec. 135. (a) None of the funds appropriated by this Act may be used to issue or renew a registration certificate or identification tag for any motor vehicle if unpaid fines, penalties and other costs for traffic violations in the District of Columbia are outstanding against any registered owner of such vehicle or against any authorized user of any vehicle of such registered owner.

(b) Subsection (a) shall not apply to an issuance or renewal if the Director of the Department of Public Works of the District of Columbia-

(1) determines that special circumstances require a waiver of such subsection with respect to such issuance or renewal;

(2) issues such waiver in writing, setting forth such circumstances; and

(3) submits a written notification of such waiver and circumstances to the Committees on Appropriations of the House of Representatives and the Senate and to the governmental agency having authority to approve such issuance or renewal.]

Sec. 135. (a) None of the funds provided in this Act or any other funds available to the District of Columbia shall be used for any contract to provide goods or services to or on behalf of the District of Columbia which currently are provided by employees, departments, or agencies of the District of Columbia until the Mayor submits to the Council and the Council approves revised contracting policies and procedures.

(b) The revised contracting policies and procedures required by subsection (a) of this section shall provide that:

(1) A cost analysis comparing the in-house costs of providing the service with the costs associated with contracting for the service shall be completed for each contract proposed pursuant to this section;

(2) Contracting out will provide savings over the duration of the contract of at least 10%; and

(3) Any contractor who is awarded a contract that displaces District government employees shall offer comparable employment to these displaced employees at rates of wages and benefits that are comparable to the wages and benefits paid to District government employees.

Sec. 136. (a) The Mayor shall not award the following types of contracts until after the Council has approved the proposed contract award as provided in this section:

(1) Any contract for goods or services worth over $1,000,000 and any contract for any sum which, when added to other contracts awarded to the same contractor for the same or similar purposes within a fiscal year, exceeds $1,000,000 in contracts with the same contractor, except: (A) contracts awarded under the "competitive sealed bidding" provisions pursuant to section 303 of the District of Columbia Procurement Practices Act of 1985, effective February 21, 1986 (D.C. Law 6-85; D.C. Code, sec. 1-1183.3); or (B) contracts to implement a federal program where federal law governs contracting procedures as a condition for the receipt of federal assistance; and

(2) Any contract to provide goods or services, to or on behalf of the District of Columbia, which currently are or traditionally have been provided by employees, departments, or agencies of the District of Columbia.

(b) Prior to the award of a contract covered by this section, the Mayor shall submit a proposed contract award to the Council. The proposed contract award shall be deemed approved 7 calendar days, excluding days of Council recess, after the proposal has been officially introduced in the Council according to its rules,

unless during that time, an objection to the proposed award, by at least 3 members of the Council, is filed in the Office of the Secretary to the Council.

(c) If an objection to the proposed contract award is filed, the proposed award shall be deemed approved 21 calendar days, excluding days of Council recess, after the proposed award was officially introduced in the Council, unless during that time, the Council adopts a resolution disapproving the proposed award.

(d) The Council may approve or disapprove a proposed contract award by resolution prior to the expiration of the time periods provided in this section.

(e) The approval required by this section shall be a condition precedent to the existence of a District of Columbia contract described in subsection (a) of this section. No contractor may undertake any work, and no District officer or employee may obligate or expend funds, with respect to the performance of a proposed contract prior to Council approval under this section.

[Sec. 136. None of the funds made available in this Act may be used by the District of Columbia to impose, implement, collect, administer, transfer, or enforce a payment in lieu of taxes on the Water and Sewer Utility Administration that would increase payments required of suburban jurisdictions in Maryland or Virginia under the Blue Plains Intermunicipal Agreement of 1985.]

[Sec. 137. (a) Legal Domicile. - The first section of the Act entitled "An Act providing for the incorporation of certain persons as Group Hospitalization, Inc.", approved August 11, 1939 (referred to as "the Act"), is amended by adding at the end thereof the following: "The District of Columbia shall be the legal domicile of the corporation.".

(b) Regulatory Authority. -

(1) In General. - Section 5 of the Act is amended to read as follows:

"Sec. 5. The corporation shall be licensed and regulated by the District of Columbia in accordance with the laws and regulations of the District of Columbia.".

(2) Repeal. - The Act is amended by striking section 7.

(c) Reimbursement of Regulatory Costs by the Corporation. - The Act (as amended by section (b) of this Act) is amended by inserting after section 6 the following new section:

"Sec. 7. The corporation shall reimburse the District of Columbia for the costs of insurance regulation (including financial and market conduct examinations) of the corporation and its affiliates and subsidiaries by the District of Columbia.

(d) Effective Date - The amendments made by this section shall take effect on the date of enactment of this Act and expire on September 30, 1993, or upon the enactment of specific authorizing legislation.]

[Sec. 138. Notwithstanding any other law, the District of Columbia Board of Elections and Ethics shall place on the ballot, without alteration, at a general, special, or primary election to be held within 90 days after the date of enactment of this Act, the following initiative:

Short Title

Mandatory Life Imprisonment or Death Penalty for Murder in the District of Columbia.

Summary Statement

This initiative measure, if passed, would increase the penalty for first degree murder in the District of Columbia.

A person convicted of this crime would be sentenced either to death or life imprisonment without the possibility of parole.

Legislative Text

The legislative text of the initiative shall read as follows:

Be it enacted by the Electors of the District of Columbia, that this measure be cited as the "Mandatory Life Imprisonment or Death Penalty for Murder in the District of Columbia".

"Section 801 of the Act entitled 'An Act to establish a code of law for the District of Columbia', approved March 3, 1901 (D.C. Code 22-2404(a)), is amended-

"(1) by amending subsection (a) to read as follows:

"'(a) The punishment of murder in the first degree shall be life imprisonment without the possibility of parole, or death.';

"(2) by striking subsection (b) and redesignating subsection (c) as subsection (b); and

"(3) by adding at the end the following new subsection:

"'(c) Penalty. - A person who commits an offense under subsection(a) shall be punished by death or life imprisonment. A sentence of death under this subsection may be imposed in accordance with the procedures provided in subsections (d), (e), (f), (g), (h), (i), (j), (k), and (l).

"'(d) Mitigating Factors. - In determining whether to recommend a sentence of death, the jury shall consider whether any aspect of the defendant's character, background, or record or any circumstance of the offense that the defendant may proffer as a mitigating factor exists, including the following factors:

"'(1) Mental Capacity. - The defendant's mental capacity to appreciate the wrongfulness of his conduct or to conform his conduct to the requirements of law was significantly impaired.

"'(2) Duress. - The defendant was under unusual and substantial duress.

"'(3) Participation in Offense Minor. - The defendant is punishable as a principal (pursuant to section 908 of the Act entitled "An Act to establish a code of law for the District of Columbia", approved March 3, 1901 (D.C. Code 22-105)) in the offense, which was committed by another, but the defendant's participation was relatively minor.

"'(e) Aggravating Factors. - In determining whether to recommend a sentence of death, the jury shall consider any aggravating factor for which notice has been provided under subsection (f), including the following factors:

"'(1) Killing in Furtherance of Drug Trafficking. - The defendant engaged in the conduct resulting in death in the course of or in furtherance of drug trafficking activity.

"'(2) Killing in the Course of Other Serious Violent Crimes. - The defendant engaged in the conduct resulting in death in the course of committing or attempting to commit an offense involving robbery, burglary, sexual abuse, kidnapping, or arson.

"'(3) Multiple Killings or Endangerment of Others. - The defendant committed more than one offense under this section or in committing the offense knowingly created a grave risk of death to one or more persons in addition to the victim of the offense.

"'(4) Involvement of Firearm. - During and in relation to the commission of the offense, the defendant used or possessed a firearm (as defined in paragraph (6) of D.C. Law 1-85 (D.C. Code 6-2302(6))).

"'(5) Previous Conviction of Violent Felony. - The defendant has previously been convicted of an offense punishable by a term of imprisonment of more than 1 year that involved the use or attempted or threatened use of force against a person or that involved sexual abuse.

"'(6) Killing While Incarcerated or Under Supervision. - The defendant at the time of the offense was confined in or had escaped from a jail, prison, or other correctional or detention facility, was on pre-trial release, or was on probation, parole, supervised release, or other post-conviction conditional release.

"'(7) Heinous, Cruel or Depraved Manner of Commission. - The defendant committed the offense in an especially heinous, cruel, or depraved manner in that it involved torture or serious physical abuse of the victim.

"'(8) Procurement of the Offense by Payment. - The defendant procured the commission of the offense by payment, or promise of payment, of anything of pecuniary value.

"'(9) Commission of the Offense for Pecuniary Gain. - The defendant committed the offense as consideration for receiving, or in the expectation of receiving or obtaining, anything of pecuniary value.

"'(10) Substantial Planning and Premeditation. - The defendant committed the offense after substantial planning and premeditation.

"'(11) Vulnerability of Victim. - The victim was particularly vulnerable due to old age, youth, or infirmity.

"'(12) Killing of Public Servant. - The defendant committed the offense against a public servant -

"'(A) while the public servant was engaged in the performance of his or her official duties;

"'(B) because of the performance of the public servant's official duties; or

"'(C) because of the public servant's status as a public servant.

"'(13) Killing to Interfere with or Retaliate Against Witness. - The defendant committed the offense in order to prevent or inhibit any person from testifying or providing information concerning an offense, or to retaliate against any person for testifying or providing such information.

"'(f) Notice of Intent to Seek Death Penalty. - If the government intends to seek the death penalty for an offense under this section, the attorney for the government shall file with the court and serve on the defendant a notice of such intent. The notice shall be provided a reasonable time before the trial or acceptance of a guilty plea, or at such later time as the court may permit for good cause. The notice shall set forth the aggravating factor or factors set forth in subsection (e) and any other aggravating factor or factors that the government will seek to prove as the basis for the death penalty. The factors for which notice is provided under this subsection may include factors concerning the effect of the offense on the victim and the victim's family. The court may permit the attorney for the government to amend the notice upon a showing of good cause.

"'(g) Judge and Jury at Capital Sentencing Hearing. - A hearing to determine whether the death penalty will be imposed for an offense under this section shall be conducted by the judge who presided at trial or accepted a guilty plea, or by another judge if that judge is not available. The hearing shall be conducted before the jury that determined the defendant's guilt if that jury is available. A new jury shall be impaneled for the purpose of the hearing if the defendant pleaded guilty, the trial of guilt was conducted without a jury, the jury that determined the defendant's guilt was discharged for good cause, or reconsideration of the sentence is necessary after the initial imposition of a sentence of death. A jury impaneled under this subsection shall have 12 members unless the parties stipulate to a lesser number at any time before the conclusion of the hearing with the approval of the court. Upon motion of the defendant, with the approval of the attorney for the government, the hearing shall be carried out before the judge without a jury. If there is no jury, references

to "the jury" in this section, where applicable, shall be understood as referring to the judge.

"'(h) Proof of Mitigating and Aggravating Factors. - No presentence report shall be prepared if a capital sentencing hearing is held under this section. Any information relevant to the existence of mitigating factors, or to the existence of aggravating factors for which notice has been provided under subsection (f), may be presented by either the government or the defendant, regardless of its admissibility under the rules governing the admission of evidence at criminal trials, except that information may be excluded if its probative value is outweighed by the danger of creating unfair prejudice, confusing the issues, or misleading the jury. The information presented may include trial transcripts and exhibits. The attorney for the government and for the defendant shall be permitted to rebut any information received at the hearing, and shall be given fair opportunity to present argument as to the adequacy of the information to establish the existence of any aggravating or mitigating factor, and as to the appropriateness in that case of imposing a sentence of death. The attorney for the government shall open the argument, the defendant shall be permitted to reply, and the government shall then be permitted to reply in rebuttal.

"'(i) Findings of Aggravating and Mitigating Factors. - The jury shall return special findings identifying any aggravating factor or factors for which notice has been provided under subsection (f) and which the jury unanimously determines have been established by the government beyond a reasonable doubt. A mitigating factor is established if the defendant has proven its existence by a preponderance of the evidence, and any member of the jury who finds the existence of such a factor may regard it as established for purposes of this section regardless of the number of jurors who concur that the factor has been established.

"'(j) Finding Concerning a Sentence of Death. - If the jury specially finds under subsection (i) that 1 or more aggravating factors set forth in subsection (e) exist, and the jury further finds unanimously that there are no mitigating factors or that the aggravating factor or factors specially found under subsection (i) outweigh any mitigating factors, the jury shall recommend a sentence of death. In any other case, the jury shall not recommend a sentence of death. The jury shall be instructed that it must avoid any influence of sympathy, sentiment, passion, prejudice, or other arbitrary factors in its decision, and should make such a recommendation as the information warrants.

"'(k) Special Precaution to Assure Against Discrimination. - In a hearing held before a jury, the court, before the return of a finding under subsection (j), shall instruct the jury that, in considering whether to recommend a sentence of death, it shall not consider the race, color, religion, national origin, or sex of the defendant or any victim, and that the jury is not to recommend a sentence of death unless it has concluded that it would recommend a sentence of death for such a crime regardless of the race, color, religion, national origin, or sex of the defendant or any victim. The jury, upon the return of a finding under subsection (j), shall also return to the court a certificate, signed by each juror, that the race, color, religion, national origin, or sex of the defendant or any victim did not affect the juror's individual decision and that the individual juror would have recommended the same sentence for such a crime regardless of the race, color, religion, national origin, or sex of the defendant or any victim.

"'(l) Imposition of a Sentence of Death. - Upon recommendation under subsection (j) that a sentence of death be imposed, the court shall sentence the defendant to death. Otherwise the court shall impose a sentence of life imprisonment without the possibility of parole.

"'(m) Review of a Sentence of Death. -

"'(1) The defendant may appeal a sentence of death under this section by filing a notice of appeal of the sentence within the time provided for filing a notice of appeal of the judgment of conviction. An appeal of a sentence under this subsection may be consolidated within an appeal of the judgment of conviction and shall have priority over all noncapital matters in the court of appeals.

"'(2) The court of appeals shall review the entire record in the case including the evidence submitted at trial and information submitted during the sentencing hearing, the procedures employed in the sentencing hearing, and the special findings returned under subsection (i). The court of appeals shall uphold the sentence if it determines that the sentence of death was not imposed under the influence of passion, prejudice, or any other arbitrary factor, the evidence and information support the special findings under subsection (i), and that the proceedings were otherwise free of prejudicial error that was properly preserved for review.

"'(3) In any other case, the court of appeals shall remand the case for reconsideration of the sentence or imposition of another authorized sentence as appropriate, except that the court shall not reverse a sentence of death on the ground that an aggravating factor was invalid or was not supported by the evidence and information if at least one aggravating

factor described in subsection (e) remains which was found to exist and the court, on the basis of the evidence submitted at trial and the information submitted at the sentencing hearing, finds that the remaining aggravating factor or factors that were found to exist outweigh any mitigating factors. The court of appeals shall state in writing the reasons for its disposition of an appeal of a sentence of death under this section.

"'(n) Implementation of Sentence of Death. - A person sentenced to death under this section shall be committed to the custody of the Attorney General until exhaustion of the procedures for appeal of the judgment of conviction and review of the sentence. When the sentence is to be implemented, the Attorney General shall release the person sentenced to death to the custody of a United States Marshal. The Marshal shall supervise implementation of the sentence in the manner prescribed by the law of a State designated by the court. The Marshal may use State or local facilities, may use the services of an appropriate State or local official or of a person such an official employs, and shall pay the costs thereof in an amount approved by the Attorney General.

"'(o) Special Bar to Execution. - A sentence of death shall not be carried out upon a women while she is pregnant.

"'(p) Conscientious Objection to Participation in Execution. - No employee of the District of Columbia government, and no person providing services to the government under contract shall be required, as a condition of that employment or contractual obligation, to be in attendance at or to participate in any execution carried out under this section if such participation is contrary to the moral or religious convictions of the employee. For purposes of this subsection, the term "participate in any execution" includes personal preparation of the condemned individual and the apparatus used for the execution, and supervision of the activities of other personnel in carrying out such activities.

"'(q) Appointment of Counsel for Indigent Capital Defendants. - A defendant against whom a sentence of death is sought, or on whom a sentence of death has been imposed, under this section, shall be entitled to appointment of counsel from the commencement of trial proceedings until one of the conditions specified in subsection (v) has occurred, if the defendant is or becomes financially unable to obtain adequate representation. Counsel shall be appointed for trial representation as provided in chapter 26 of title 11 of the District of Columbia Code (D.C. Code 11-2601 et seq.), and at least one counsel so appointed shall continue to represent the defendant until the conclusion of direct review of the judgment, unless replaced by the court with other qualified counsel.

Except as otherwise provided in this section, chapter 26 of title 11 of the District of Columbia Code (D.C. Code 11-2601 et seq.) shall apply to appointments under this section.

"'(r) Representation After Finality of Judgment. - When a judgment imposing a sentence of death under this section has become final through affirmance by the Supreme Court on direct review, denial of certiorari by the Supreme Court on direct review, or expiration of the time for seeking direct review in the court of appeals or the Supreme Court, the government shall promptly notify the court that imposed the sentence. The court, within 10 days of receipt of such notice, shall proceed to make determination whether the defendant is eligible for appointment of counsel for subsequent proceedings. The court shall issue an order appointing one or more counsel to represent the defendant upon a finding that the defendant is financially unable to obtain adequate representation and wishes to have counsel appointed or is unable competently to decide whether to accept or reject appointment of counsel. The court shall issue an order denying appointment of counsel upon a finding that the defendant is financially able to obtain adequate representation or that the defendant rejected appointment of counsel with an understanding of the consequences of that decision. Counsel appointed pursuant to this subsection shall be different from the counsel who represented the defendant at trial and on direct review unless the defendant and counsel request a continuation or renewal of the earlier representation.

"'(s) Standards for Competence of Counsel. - In relation to a defendant who is entitled to appointment of counsel under subsection (q) or (r), at least one counsel appointed for trial representation must have been admitted to the bar for at least 5 years and have at least 3 years of experience in the trial of felony cases in the Federal district courts. If new counsel is appointed after judgment, at least one counsel so appointed must have been admitted to the bar for at least 5 years and have at least 3 years of experience in the litigation of felony cases in the Federal court of appeals or the Supreme Court. The court, for good cause, may appoint counsel who does not meet these standards, but whose background, knowledge, or experience would otherwise enable him or her to properly represent the defendant, with due consideration of the seriousness of the penalty and the nature of the litigation.

"'(t) Claims of Ineffectiveness of Counsel in Collateral Proceedings. - The ineffectiveness or incompetence of counsel during proceedings on a motion under section 23-110 of the District of Columbia Code in a case under this section shall not be a ground for relief from the judgment or sentence in any proceeding. This limitation shall not preclude the appointment of different counsel at any stage of the proceedings.

"'(u) Time for Collateral Attack on Death Sentence. - A motion under section 23-110 of the District of Columbia Code attacking a sentence of death under this section, or the conviction on which it is predicated, shall be filed within 90 days of the issuance of the order under subsection (r) appointing or denying the appointment of counsel for such proceedings. The court in which the motion is filed, for good cause shown, may extend the time for filing for a period not exceeding 60 days. Such a motion shall have priority over all non-capital matters in the district court, and in the court of appeals on review of the district court's decision.

"'(v) Stay of Execution. - The execution of a sentence of death under this section shall be stayed in the course of direct review of the judgment and during the litigation of an initial motion in the case under section 23-110 of the District of Columbia Code. The stay shall run continuously following imposition of the sentence and shall expire if -

> "'(1) the defendant fails to file a motion under section 23-110 of the District of Columbia Code within the time specified in subsection (u), or fails to make a timely application for court of appeals review following the denial of such a motion by a district court;
>
> "'(2) upon completion of district court and court of appeals review under section 23-110 of the District of Columbia Code, the Supreme Court disposes of a petition for certiorari in a manner that leaves the capital sentence undisturbed, or the defendant fails to file a timely petition for certiorari; or
>
> "'(3) before a district court, in the presence of counsel and after having been advised of the consequences of such a decision, the defendant waives the right to file a motion under section 23-110 of the District of Columbia Code.

"'(w) Finality of the Decision on Review. - If one of the conditions specified in subsection (v) has occurred, no court thereafter shall have the authority to enter a stay of execution or grant relief in the case unless-

"'(1) the basis for the stay and request for relief is a claim not presented in earlier proceedings;

"'(2) the failure to raise the claim is the result of governmental action in violation of the Constitution or laws of the United States, the result of the Supreme Court's recognition of a new Federal right that is retroactively applicable, or the result of the fact that the factual predicate of the claim could not have been discovered through the exercise of reasonable diligence in time to present the claim in earlier proceedings; and

"'(3) the facts underlying the claim would be sufficient, if proven, to undermine the court's confidence in the determination of guilt on the offense or offenses for which the death penalty was imposed.

"'(x) Commutation of Sentence of Death. - The Mayor shall have power to commute a sentence of death under this section to a sentence of life imprisonment, without parole.

"'(y) Definitions. - For purposes of this section -

"'(1) "State" includes a State of the United States, the District of Columbia, Puerto Rico, Guam, the Virgin Islands, and any other territory or possession of the United States;

"'(2) "offense", as used in paragraphs (2), (5), and (13) of subsection (e) and in paragraph (5) of this subsection means an offense under the law of the District of Columbia, another State, or the United States;

"'(3) "drug trafficking activity" means a felony punishable under D.C. Law 4-29 (D.C. Code 33-501 et seq.) or a pattern or series of acts involving one or more such felonies;

"'(4) "robbery" means obtaining the property of another by force or threat of force;

"'(5) "burglary" means entering or remaining in a building or structure in violation of the law of the District of Columbia, another State, or the United States, with the intent to commit an offense in the building or structure;

"'(6) "sexual abuse" means any conduct proscribed by chapter 109A of title 18, United States Code, whether or not the conduct occurs in the special maritime and territorial jurisdiction of the United States;

"'(7) "arson" means damaging or destroying a building or structure through the use of fire or explosives;

"'(8) "kidnapping" means seizing, confining, or abducting a person, or transporting a person without his or her consent;

"'(9) "pre-trial release", "probation", "parole", "supervised release", and "other post-conviction conditional release", as used in subsection (e)(6), mean any such release, imposed in relation to a charge or conviction for an offense under the law of the District of Columbia, another State, or the United States; and

"'(10) "public servant" means an employee, agent, officer, or official of the District of Columbia, another State, or the United States, or an employee, agent, officer, or official of a foreign government who is within the scope of section 1116 of title 18, United States Code.'.".]

This title may be cited as the "District of Columbia Appropriations Act, [1993] *1994*".

TITLE II

Fiscal Year [1992] *1993* Supplemental

[District of Columbia Funds]

[Governmental Direction and Support]
[(Including Rescission)]

[For an additional amount for "Governmental direction and support", $3,177,000: *Provided*, That of the funds appropriated under this heading for the fiscal year ending September 30, 1992 in the District of Columbia Appropriations Act, 1992, approved October 1, 1991 (Public Law 102-111; 105 Stat. 560), $5,427,000 are rescinded for a net decrease of $2,250,000: *Provided further*, That of the remaining funds, $1,724,000 shall be for the Mayor's youth and crime initiative in the City Administrator's Office, but shall not be obligated or expended until the Mayor submits to the Council a plan for the allocation and use of the funds, and $476,000 shall be for the Office of Personnel to conduct a management audit of personal and nonpersonal services: *Provided further*, That notwithstanding any other provision of law, there is hereby appropriated from the earnings of the applicable retirement funds an additional $1,694,000 to pay legal, management, investment, and other fees and administrative expenses of the District of Columbia Retirement Board.]

[Economic Development and Regulation]
[(Including Rescission)]

[For an additional amount for "Economic development and regulation", $6,361,000: *Provided*, That of the funds appropriated under this heading for the fiscal year ending September 30, 1992 in the District of Columbia Appropriations Act, 1992, approved October 1, 1991 (Public Law 102-111; 105 Stat. 561), $5,094,000 are rescinded for a net increase of $1,267,000.]

[Public Safety and Justice]
[(Including Rescission)]

[For an additional amount for "Public safety and justice", $114,000: *Provided*, That of the funds appropriated under this heading for the fiscal year ending September 30, 1992 in the District of Columbia Appropriations Act, 1992, approved October 1, 1991 (Public Law 102-111; 105 Stat. 561), $22,356,000 are rescinded for a net decrease of $22,242,000: *Provided further*, That of the funds remaining for the personal services of the Metropolitan Police Department, $1,000,000 shall be redirected to non-personal services of the Department for equipment purchases and contractual services: *Provided further*, That not to exceed

$700,000 shall be available from this appropriation, and funds under this heading in Public Law 102-111 (105 Stat. 561) for the Chief of Police for the prevention and detection of crime.]

[Public Education System]
[(Including Rescission)]

[For an additional amount for "Public education system", $300,000, of which $260,000 is for the public schools of the District of Columbia and $40,000 is for pay-as-you-go capital projects for the public schools: *Provided*, That of the funds appropriated under this heading for the fiscal year ending September 30, 1992 in the District of Columbia Appropriations Act, 1992, approved October 1, 1991 (Public Law 102-111; 105 Stat. 563), $48,000 for the Education Licensure Commission are rescinded for a net increase of $252,000.]

[Human Support Services]
[(Including Rescission)]

[For an additional amount for "Human support services", $45,565,000: *Provided*, That $2,196,000 of this appropriation, to remain available until expended, shall be available solely for District of Columbia employees' disability compensation: *Provided further*, That of the funds appropriated under this heading for the fiscal year ending September 30, 1992 in the District of Columbia Appropriations Act, 1992, approved October 1, 1991 (Public Law 102-111; 105 Stat. 564), $3,405,000 are rescinded for a net increase of $42,160,000.]

[Public Works]
[(Rescission)]

[Of the funds appropriated under this heading for the fiscal year ending September 30, 1992 in the District of Columbia Appropriations Act, 1992, approved October 1, 1991 (Public Law 102-111; 105 Stat. 564), $31,308,000 are rescinded.]

[Washington Convention Center Fund]
[(Rescission)]

[Of the funds appropriated under this heading for the fiscal year ending September 30, 1992 in the District of Columbia Appropriations Act, 1992, approved October 1, 1991 (Public Law 102-111; 105 Stat. 564), $560,000 are rescinded.]

[Repayment of Loans and Interest]
[(Rescission)]

[Of the funds appropriated under this heading for the fiscal year ending September 30, 1992 in the District of Columbia Appropriations Act, 1992, approved October 1, 1991 (Public Law 102-111; 105 Stat. 564), $2,544,000 are rescinded.]

[Repayment of General Fund Deficit]

[For an additional amount for "Repayment of general fund deficit", $2,245,000.]

[Resizing]

[For the purpose of funding costs associated with the Temporary Appeals Board, downsizing, and early-outs, $5,510,000, to be apportioned by the Mayor of the District of Columbia within the various appropriation headings in this Act from which costs are properly payable.]

[Facilities Rent/Leases]

[For the purpose of funding costs associated with the rental and leasing of facilities for governmental purposes, $16,667,000.]

[Capital Outlay]

[For an additional amount for "Capital outlay", $11,000,000, to remain available until expended: *Provided*, That of the amounts appropriated under this heading in prior fiscal years for the Law School Facility, $10,000,000 are rescinded for a net increase of $1,000,000: *Provided further*, That $150,000 shall be available for project management and $285,000 for design by the Director of the Department of Public Works or by contract for architectural engineering services, as may be determined by the Mayor.]

[Water and Sewer Enterprise Fund]
[(Including Rescission)]

[For an additional amount for "Water and sewer enterprise fund", $62,327,000, of which $28,287,000 shall be transferred to the general fund to finance general fund operating expenses: *Provided*, That of the funds appropriated under this heading for the fiscal year ending September 30, 1992 in the District of Columbia Appropriations Act, 1992, approved October 1, 1991 (Public Law 102-111; 105 Stat. 566), $35,820,000 are rescinded for a net increase of $26,507,000: *Provided further*, That $38,834,000 of the amounts available for fiscal year 1992 shall be

apportioned and payable to the debt service fund for repayment of loans and interest incurred for capital improvement projects instead of $38,006,000 as provided under this heading in the District of Columbia Appropriations Act, 1992, approved October 1, 1991 (Public Law 102-111; 105 Stat. 566).]

[The following provision under this heading for the fiscal year ending September 30, 1992 in the District of Columbia Appropriations Act, 1992, approved October 1, 1991 (Public Law 102-111; 105 Stat. 566) is repealed ": *Provided further*, That $25,608,000 in water and sewer enterprise fund operating revenues shall be available for pay-as-you-go capital projects".]

[Starplex Fund]

[For the Starplex Fund, an amount necessary for the expenses incurred by the Armory Board in the exercise of its powers granted by An Act To establish a District of Columbia Armory Board, and for other purposes, approved June 4, 1948 (62 Stat 339; D.C. Code, sec. 2-301 et seq.) and the District of Columbia Stadium Act of 1957, approved September 7, 1957 (71 Stat. 619; Public Law 85-300); D.C. Code, sec. 2-321 et seq.), of which $584,000 shall be transferred to the general fund.]

[General Provisions]

[Sec. 201. Section 134 of the District of Columbia Appropriations Act, 1992, approved October 1, 1991 (105 Stat. 571) is amended by inserting after subsection (c) the following new subsection:

"(d) This section shall not apply to the District of Columbia Board of Education, which may, pursuant to the laws and regulations of the District of Columbia, accept and use gifts to the public schools without prior approval by the Mayor.".]

[Sec. 202. Notwithstanding any other provision of law, appropriations made and authority granted pursuant to this title shall be deemed to be available for the fiscal year ending September 30, 1992.]

Federal Funds

Federal Payment to the District of Columbia

For an additional "Federal payment to the District of Columbia", $30,000,000, as authorized by section 502(a) of the District of Columbia Self-Government and Governmental Reorganization Act, Public Law 93-198, as amended (D.C. Code, sec. 47-3406.1).

36

Federal Contribution to Retirement Funds

The second paragraph under this heading for the fiscal year ending September 30, 1993, in the District of Columbia Appropriations Act, 1993, approved October 5, 1992 (Public Law 102-382; 106 Stat. 1422) is repealed.

District of Columbia Funds

Governmental Direction and Support
(Including Rescission)

For an additional amount for "Governmental direction and support", $14,396,000: Provided, That of the funds appropriated under this heading for the fiscal year ending September 30, 1993 in the District of Columbia Appropriations Act, 1993, approved October 5, 1992 (Public Law 102-382; 106 Stat. 1423), $4,801,000 are rescinded for a net increase of $9,595,000.

The following provision under this heading for the fiscal year ending September 30, 1993 in the District of Columbia Appropriations Act, 1993, approved October 5, 1992 (Public Law 102-382; 106-1423 is repealed "Provided further, That $10,200,000 of the revenues realized from the "Water and Sewer Utility Payment in Lieu of Taxes Act of 1992" shall be available for the Mayor's youth and crime initiative, but shall not be obligated or expended until the Mayor submits to the Council a plan for the allocation and use of the funds:".

Economic Development and Regulation
(Including Rescission)

For an additional amount for "Economic development and regulation", $1,047,000: Provided, That of the funds appropriated under this heading for the fiscal year ending September 30, 1993 in the District of Columbia Appropriations Act, 1993, approved October 5, 1992 (Public Law 102-382; 106 Stat. 1423), $10,587,000 are rescinded for a net decrease of $9,540,000.

Public Safety and Justice
(Including Rescission)

For an additional amount for "Public safety and justice", $6,230,000: Provided, That of the funds appropriated under this heading for the fiscal year ending September 30, 1993 in the District of Columbia Appropriations Act, 1993, approved October 5, 1992 (Public Law 102-382; 106 Stat. 1424), $18,143,000 are rescinded for a net decrease of $11,913,000.

37

Public Education System
(Including Rescission)

For an additional amount for "Public education system", $246,000 for the Education Licensure Commission: Provided, That of the funds appropriated under this heading for the fiscal year ending September 30, 1993 in the District of Columbia Appropriations Act, 1993, approved October 5, 1992 (Public Law 102-382; 106 Stat. 1426), $2,270,000 for the Public Schools of the District of Columbia, $4,199,000 for the University of the District of Columbia, $964,000 for the Public Library, and $70,000 for the Commission on the Arts and Humanities are rescinded for a net decrease of $7,257,000.

The following provision under this heading for the fiscal year ending September 30, 1993 in the District of Columbia Appropriations Act, 1993, approved October 5, 1992 (Public Law 102-382; 106 Stat. 1426) is repealed "of which $2,000,000 shall be derived from revenues realized from the "Water and Sewer Utility Payment in Lieu of Taxes Act of 1992";".

Human Support Services
(Including Rescission)

For an additional amount for "Human support services", $70,772,000: Provided, That of the funds appropriated under this heading for the fiscal year ending September 30, 1993 in the District of Columbia Appropriations Act, 1993, approved October 5, 1992 (Public Law 102-382; 106 Stat. 1426), $2,221,000 are rescinded for a net increase of $68,551,000.

Public Works
(Rescission)

Of the funds appropriated under this heading for the fiscal year ending September 30, 1993 in the District of Columbia Appropriations Act, 1993, approved October 5, 1992 (Public Law 102-382; 106 Stat. 1427), $3,271,000 are rescinded.

Repayment of Loans and Interest

For an additional amount for "Repayment of loans and interest", $57,388,000, of which $38,337,000 is authorized by section 461(a) of the District of Columbia Self-Government and Governmental Reorganization Act, approved December 24, 1973, as amended (105 Stat. 540; Public Law 102-106; D.C. Code, sec. 47-321(a)).

38

Repayment of General Fund Recovery Debt

The paragraph under the heading "Repayment of General Fund Recovery Debt" in the District of Columbia Appropriations Act, 1993, approved October 5, 1992 (Public Law 102-382; 106 Stat. 1427), is repealed.

Resizing

For the purpose of funding costs associated with the Temporary Appeals Panel pursuant to D.C. Law 9-47, the District of Columbia Government Merit Personnel Act of 1978 Temporary Amendment Act of 1991, $225,000.

Severance Pay

For severance pay to employees who are involuntarily separated from service as a result of reductions-in-force or reorganizations, $10,410,000.

Pay Adjustment

For pay increases and related costs to be transferred by the Mayor of the District of Columbia within the various appropriation headings in this Act from which costs are properly payable, $7,880,000.

Facilities Rent/Leases

The paragraph under the heading "Facilities Rent/Leases" in the District of Columbia Appropriations Act, 1993, approved October 5, 1992 (Public Law 102-382; 106 Stat. 1428), is repealed.

Furlough Adjustment

Each agency, office, and instrumentality of the District, except the District of Columbia Courts, shall furlough each employee of the respective agency, office, or instrumentality for one day in each month of the fiscal year ending September 30, 1993, or a proportionate number of hours for part-time employees. The personal services spending authority for each agency, office, and instrumentality subject to this section is reduced in an amount equal to the savings resulting from the employee furloughs required by this section, for a total reduction of $36,000,000, which is distributed within the appropriation titles above. The Council shall enact legislation to implement this section which may include but shall not be limited to procedures to ensure that public health and safety functions are carried out.

39

Within-Grade Salary Adjustments

Notwithstanding any other provision of law, no employee of any agency, office, or instrumentality of the District shall receive within-grade salary increases during the fiscal year ending September 30, 1993, and no time during the fiscal year ending September 30, 1993 shall accrue toward the waiting period for advancement to the following rate within the grade. The spending authority for each agency, office, and instrumentality is reduced in an amount equal to the savings resulting from the adjustments required by this section, for a total reduction of $13,000,000, which is distributed within the appropriation titles above.

Personal and Nonpersonal Services Adjustments

The paragraph under the heading "Personal and Nonpersonal Services Adjustments", in the District of Columbia Appropriations Act, 1993, approved October 5, 1992 (Public Law 102-382; 106 Stat. 1428), is repealed.

Capital Outlay

For an additional amount for "Capital outlay", $200,000, to remain available until expended.

Water and Sewer Enterprise Fund
(Including Rescission)

For an additional amount for "Water and Sewer Enterprise Fund", $12,717,000: Provided, That of the funds appropriated under this heading in the District of Columbia Appropriations Act, 1993, approved October 5, 1992 (Public Law 102-382; 106 Stat. 1429), $41,482,000 are rescinded for a net decrease of $28,765,000.

The following provision under this heading for the fiscal year ending September 30, 1993 in the District of Columbia Appropriations Act, 1993, approved October 5, 1992 (Public Law 102-382; 106 Stat. 1429) is repealed: ", and $12,200,000 collected as payment in lieu of taxes pursuant to the "Water and Sewer Utility Payment in Lieu of Taxes Act of 1992" shall be transferred to the general fund to provide $10,200,000 for the Mayor's youth and crime initiative, and $2,000,000 for the University of the District of Columbia".

The following provision under this heading for fiscal year ending September 30, 1993 in the District of Columbia Appropriations Act, 1993, approved October 5, 1992 (Public Law 102-382; 106 Stat. 1430) is repealed ":

Provided further, That not to exceed $22,705,000 in water and sewer enterprise fund operating revenues shall be available for pay-as-you-go capital projects".

Lottery and Charitable Games Enterprise Fund
(Rescission)

Of the funds appropriated under this heading for the Lottery and Charitable Games Enterprise Fund for the fiscal year ending September 30, 1993 in the District of Columbia Appropriations Act, 1993, approved October 5, 1992 (Public Law 102-382; 106 Stat. 1430), $270,000 are rescinded.

Cable Television Enterprise Fund
(Including Rescission)

For an additional amount for "Cable Television Enterprise Fund", $35,000: Provided, That of the funds appropriated under this heading for the Cable Television Enterprise Fund for the fiscal year ending September 30, 1993 in the District of Columbia Appropriations Act, 1993, approved October 5, 1992 (Public Law 102-382; 106 Stat. 1430), $300,000 are rescinded and transferred to the general fund for a net decrease of $265,000.

Starplex Fund

The paragraph under the heading "Starplex Fund" in the District of Columbia Appropriations Act, 1993, approved October 5, 1992 (Public Law 102-382; 106 Stat. 1430), is amended by inserting after the phrase "shall be transferred to the general fund" the following:

"an additional $200,000 shall be transferred to the University of the District of Columbia".

General Provisions

Sec. 201. Section 114 of the District of Columbia Appropriations Act, 1993, approved October 5, 1992 (106 Stat. 1432) is repealed.

Sec. 202. Section 132 of the District of Columbia Appropriations Act, 1993, approved October 5, 1992 (106 Stat. 1434) is repealed.

Sec. 203. Section 134(a)(1) of the District of Columbia Appropriations Act, 1993, approved October 5, 1992 (106 Stat. 1435) is amended by inserting the following after the word "donation":

41

": Provided, That the Council of the District of Columbia may accept and use gifts without prior approval by the Mayor".

This title may be cited as the "District of Columbia Supplemental Appropriations and Rescissions Act, [1992] *1993*".

Mr. DIXON. I will go through the first page and just stop there. And then, Jim, if you have questions on the first page, I will call on you.

DOMESTIC PARTNERS

The first language change is to delete the language concerning the Domestic Partners Act. That language was placed in last year's bill by the Senate.

I assume that the City Council and the Mayor support the deletion of this language?

Ms. BAARS. Very much so, Mr. Chairman.

SIZE OF POLICE FORCE

Mr. DIXON. And the second change is to delete the requirement that you have 4,889 police officers.

I assume both branches support that change?

Ms. BAARS. Yes.

Ms. O'CONNOR. Right.

FIREFIGHTER DETAILS AND OVERTIME

Mr. DIXON. And the third change is to delete language that attempted to reduce the number of firefighters detailed so that those positions would not have to be backfilled with overtime.

Ms. O'CONNOR. Right.

ADMINISTRATIVE FIRE AIDES

Mr. DIXON. The fourth change is, obviously, highly controversial with the Fire Department—at least with the fire union—and that is to eliminate the language protecting the positions of administrative assistants to Battalion Chiefs.

OVERTIME RESTRICTION ON PUBLIC SAFETY OFFICERS

The fifth change adds new language limiting overtime for police, fire, and corrections to 10 hours, excluding court time, unless there is written approval.

My question would be: Where does this language originate?

It doesn't seem like it is a bad idea. But the focus, at least from the point of view of the news articles, has been on court overtime. I wasn't aware there was any abuse of other overtime, but maybe there is.

Is this something that originated with the Mayor?

Ms. BAARS. Mr. Chairman, that originated at the Council. And there was concern with the police overtime.

There was concern about how that can be dealt with without restricting the overtime, because we didn't want to have an impact on the ability to prosecute these cases. But we did want the police chief to have the authority to control overtime, because now it is largely out of the city's control, it is much more in the control of the U.S. Attorney's office.

So where we could have some control is in the noncourt overtime. And that is where we have imposed the 10 hours limitation. And my understanding was that the police chief had no problem with this.

Mr. DIXON. It would be the chief that would approve this?

Ms. O'CONNOR. Or his designee. The way this wording appeared in the budget, it wasn't within the reach of Council. The concern of the executive branch was the specificity and the limitation.

Mr. DIXON. It is 10 hours a week?

Ms. BAARS. 10 hours a pay period, which is every two weeks.

Ms. O'CONNOR. Without written approval. And it says specifically the Chief of Police, the Chief of the Fire Department.

So there are some implementation issues. However, strict legal language aside, we understand the concern of the Council regarding overtime and agreed that that is something we must do, including court overtime, which I think they would agree with us on but just didn't want to put it in the language of the bill.

Mr. DIXON. I don't have any further questions on overtime restrictions.

PAY RAISES

The next one is the $70.4 million that is in the budget for pay raises.

Ms. O'CONNOR. Yes.

ABORTION ISSUE

Mr. DIXON. The next one is the one that is always controversial around here. It deletes the restriction on the use of funds to perform abortions. I assume the City Council and the Mayor support deleting that restriction.

Anything on page one, Mr. Walsh?

Mr. WALSH. Just a couple.

PAY ADJUSTMENT FUNDING

The $70 million for pay raises, I am not sure-this is my first time through this process; bear with me-what language are we actually changing?

Ms. O'CONNOR. This is language that is new to an appropriation bill. So we are highlighting new language to you.

Mr. WALSH. This is changing the language in the current appropriations structure?

Ms. O'CONNOR. Yes. Which had no language.

Mr. WALSH. All right.

How is this $70 million for pay raises accounted for now?

Ms. O'CONNOR. It is appropriated in a reserve—no, in the line items.

Ms. BAARS. It has been appropriated both ways in the past. More frequently, it has been appropriated as a separate lump sum item to be allocated later to the agencies.

Mr. WALSH. Is it part of the formula Federal payment?

Ms. BAARS. No. The amount was calculated based on what the pay raise would cost for each of the unions and employees involved.

Mr. DIXON. These pay raises would have to be agreed to?

Ms. BAARS. Yes.

Mr. WALSH. Where does this $70 million come from?

Ms. O'CONNOR. The Fire Department had previously approved, and the other employers called Comp 1 and Comp 2.

TEACHER'S PAY CONTRACT

Mr. WALSH. How about teachers?

Ms. O'CONNOR. That contract has not yet been sent down. It has been settled. It is on its way. The Council will probably be taking it up in their July session.

Ms. MEYERS. That is included in the school system's budget. There is an additional amount for nonunion employees. And that proposal has not been forwarded to the Council yet.

REVENUE SUPPORTING PAY ADJUSTMENT

Mr. WALSH. How was this $70 million acquired? Where does it come from?

Ms. O'CONNOR. Through review of the collective bargaining agreements.

Mr. WALSH. Is it sales tax revenues? Property tax revenues?

Ms. O'CONNOR. The revenues of the general fund combined.

Mr. WALSH. And this is a difference in determination of how to use this money between the Council and the Mayor?

Ms. MEYERS. No. There was an agreement. The Council agreed with the Mayor as to this amount.

Mr. WALSH. This is an increase in the budget?

Ms. MEYERS. Yes, it is. And it is a new title that wasn't in the 1993 act.

Mr. WALSH. So when the budget was submitted to the Appropriations Committee, this was not in there? Is that basically——

Ms. O'CONNOR. A year ago, when it was submitted, it wasn't in here. But because it is going to be in 1994, we tell you the new stuff.

COST OF IMPLEMENTING DOMESTIC PARTNERS ACT

Mr. WALSH. All right. On domestic partners and the abortion funding, do you have a dollar figure for what they cost?

They would require new money, would they not?

Mr. DIXON. There would be new costs.

Mr. WALSH. New costs.

Ms. BAARS. There are some minor costs in terms of implementation. In terms of the costs to the District for the coverage, that would be permitted, basically, on the health benefits package. It would permit domestic partners to carry a domestic partner on their health insurance, which they fully pay for.

For example, if you are married, you can carry your family on your policy, and the government will pick up an additional portion of it because you are married. Because in the domestic partnership situation, the government only pays the single rate; and if you want this additional person, you pay the total cost. And so there is no cost to the government from the additional benefits.

Mr. WALSH. Is there any projection over the long or short term on the increase in costs for the health insurance program if we do this?

Ms. MEYERS. Over the provider's cost?

Mr. WALSH. The city's cost. I mean, if this would cause additional expenses to the insurance—say the insurance company has 100 subscribers who pay premiums and the cost of the coverage they

provide increases. Would the premiums reflect the increased costs of the coverage over the next year or following years?

Ms. O'CONNOR. Right. It would be the equivalent—their costs would be the equivalent of whatever the increased payments are.

Ms. BAARS. Actually, if there were attributable costs to that class of people that are covered, whatever that is called, then that could be associated with those people.

If the insurance company can take an assessment that it costs us X number of dollars more to carry this group of people because they have a lot of children or something, then they could allocate that as an increased premium for that group of people.

Ms. O'CONNOR. They would recover that cost by the charge they make to the individual——

Ms. BAARS. Who has the coverage.

Ms. O'CONNOR [continuing]. Who has the coverage. So none of it will fall back to the District.

Mr. WALSH. What I am getting at here is, you are having difficulty meeting current demands. And to add additional expenses at this time is obviously more than just a philosophical debate. It is a debate about——

Ms. O'CONNOR. That is why we are satisfied with Pat's argument that there would be no additional costs to the District.

Mr. WALSH. Okay. I'll accept that. I may not agree with it, but I will accept it.

Mr. DIXON. If you would yield?

PRIVATE SECTOR INCENTIVES ON DOMESTIC PARTNERS

As I understand it, there is a second component to the Domestic Partners Act that offers a tax benefit or enticement to the private sector?

Ms. BAARS. It allows—it clarifies what is a current law, which is currently done by many private employers in the city. A private employer, of course, can allow anyone to have any benefit package for their employees.

And, in fact, some of them do offer this same coverage to their employees. And it is an allowable business expense, under the District of Columbia Code and under the Federal Revenue Code.

So what it simply clarifies—and really we didn't view it was necessary to put in the law. But to clarify that, we intend——

Mr. DIXON. It would expand the class, though.

Ms. BAARS. It would expand the class, but the offsetting cost to the taxpayers is that the insurance provides better care and is less of a burden on the city for caring for uninsured people.

Mr. DIXON. In other words, a domestic partner that may, under some circumstances, use D.C. General Hospital, and there is no insurer, would now be covered under the domestic partner's insurance?

Ms. BAARS. That is correct. And you could seek cheaper forms of health care coverage. People wouldn't wait until they were too sick and went to the emergency room. But they would seek more preventive health care.

Mr. WALSH. You are looking at what might mitigate costs. I was focusing on what might increase costs. And I think there needs to be—in my mind, anyway, you have come to your conclusions al-

ready—an analysis of whether or not this is going to increase costs long term.

COST OF PROVIDING ABORTIONS

Same with abortions: If Federal funds were allowed—people who are not covered now probably contribute to that deficit at the hospital, I would suspect; right?

Ms. O'CONNOR. Say it again, Mr. Walsh.

We are not proposing to use Federal funds for abortions.

Mr. WALSH. That is what this says, delete section——

Ms. O'CONNOR. That is part of the medicaid program. We would not try to bill medicaid for abortions.

Mr. DIXON. The District would use its own funds?

Mr. WALSH. But you don't have any. You are millions and millions of dollars short.

Ms. O'CONNOR. Just to clarify. This is a prohibition against using D.C. taxpayers' funds.

Mr. WALSH. That is a good clarification. But the facts are, you don't have any extra money. How are you going to come up with this money?

Ms. O'CONNOR. I think that what——

Mr. WALSH. You just told us you are $30 million short in FY 1993, yet you are willing to take on additional expenses?

Ms. O'CONNOR. I think that this one—we cannot estimate what kind of costs there would be because there is an absolute prohibition by the Congress on how D.C. taxpayer money can be spent.

Mr. WALSH. Would you agree that it is going to cost you more because you are not now spending for this?

Ms. O'CONNOR. It would be offset by saving on treatment for botched, unsuccessful abortions.

Mr. WALSH. Well, I am trying to deal with it at the economic level. I am sure it will be dealt with at other levels on the House Floor. But it strikes me that you are taking on additional expenses.

Ms. O'CONNOR. I think this is one in which we feel strongly that autonomy, allowing local decisions to prevail as they do in other jurisdictions and other States—letting those taxpayers make those decisions about how they want their money spent. That is the foremost argument. We have not identified a specific dollar amount for this.

Mr. WALSH. Can you?

Ms. O'CONNOR. I think, for the reasons that it has been absolutely prohibited, nobody even comes to ask us if it could happen anymore. We would be hard pressed to estimate. I think we are probably—you know, in respect to the botched abortions, we would have to examine what those costs are and if they would offset. And none of that analysis has been done.

Ms. MEYERS. I think there are other costs too. And that is the care of children who were born, and now you have all the public assistance and education, et cetera.

Mr. WALSH. Okay. I don't have any other questions on that page.

SHADOW SENATORS AND REPRESENTATIVES

Mr. DIXON. On page 2, in the supplemental and in the 1994 bill, you are requesting to delete language prohibiting the use of funds

for the Shadow Senator and Representative. This language was put on the bill by an amendment offered on the House Floor on the FY 1991 bill.

COUNCIL RECEIPT OF GIFTS AND DONATIONS

You are asking that—there may be a difference here—language be added to allow the City Council to accept and use gifts without prior approval of the Mayor. As I recall, we gave the authority to the Mayor to accept gifts to the city. This would allow the City Council to accept and use gifts?

[CLERK'S NOTE.—See pages 2415–2420 for Mayor's letters vetoing various city council actions.]

Ms. BAARS. Yes, Mr. Chairman. In fact, there was an original provision which both the Mayor and the Council agreed on several years ago regarding the acceptance of gifts, because people would give gifts for parks and recreation or maybe give park equipment, and it had to go to the general fund and had to be sold. And it was difficult to put it directly to use, and so this language clarified that earlier provision.

Last year the Board of Education came in and asked for the same kind of authority because people are willing to give books and other things to the Board. And now the Council—the question has been raised as to whether the Council, under this provision, would have to seek authority from the Mayor to accept a gift which someone wants to give to the Council for the Council's authorized purposes.

So it wouldn't be for the Council to have its own parks, recreation, or whatever; but these are things for the Council. We need a library, for example. We need a lot of things that people may be willing to give to us that we think that, under the separation of powers doctrine, our branch of government should be able to accept.

Mr. WALSH. So these are not personal gifts? You have an ethics code that the Council has to follow?

Ms. BAARS. Yes, Mr. Walsh. It has exactly the same conditions that apply to the Mayor's receipt of gifts. There is absolutely no difference. And they have to be accounted for in the same way under the appropriate acceptance standards of accounting and reporting.

Mr. WALSH. It seems to me that if there is to be a separation of powers, the Mayor should not be determining whether or not the Council can receive a gift.

Ms. O'CONNOR. This item is one that the Mayor had vetoed. This is an issue that has been one bone of contention between the Council and the Mayor for a while. The Mayor agreed, through executive order, to allow the receipt of funds by the City Council.

Mr. DIXON. The Council overrode the Mayor's veto.

Ms. O'CONNOR. Right. The reason it is still here is that they did override it. Mr. Wilson, in his testimony on the budget here, identified this one as important to him. But I was just letting you know some history of the issue and the position the Mayor had taken.

FIREFIGHTER DISABILITY RETIREMENTS

Mr. DIXON. The next one adds a new section 132 which allows you to retire up to 50 firefighters without triggering the mechanism

that would impact the Federal contribution to your retirement fund.

I understand that before this is done, there has to be an actuarial study.

Ms. O'CONNOR. That is correct. We support that. We will follow whatever the procedures laid out in the law are. We have a practical problem. There is a ceiling right now on the number of retirements in the Fire Department. We have more firefighters ready to retire than—this is honest to goodness legitimate——

Mr. DIXON. But you have more who are ready to retire on disability?

Ms. O'CONNOR. Yes, on disability and normal retirements.

ATTRITION SAVINGS AND EARLY-OUT INCENTIVES

Mr. DIXON. The next language change requires a reduction of 1 percent in full-time equivalent positions by the end of fiscal year 1994.

The next one deals with incentives for early-out retirements.

EMBASSY PARKING TICKETS

You want to delete the language that tries to put pressure on foreign embassies to pay their parking tickets. I assume you have had some dialogue and both parties agree to that?

Ms. O'CONNOR. You lost me on that one.

Mr. DIXON. We put language in on the House side that said vehicle registrations should not occur for drivers or vehicles of embassies that had outstanding traffic tickets. Then the State Department said that language was going to interfere with our international relationships. Now you are asking that the language be deleted.

It is not a problem if you want to delete it. That is fine.

Ms. O'CONNOR. Mr. Chairman, I am advised that the language that we have is not the language that you are talking about. It does have to do with fines, penalties, and other motor vehicle—but the final language is not for the diplomats.

The language we have prohibits anybody from getting new plates as long as they have unpaid fines.

Mr. DIXON. The original House version of the language specifically applied to the diplomatic corps. But as I recall, it was changed in converence.

CRITERIA FOR CONTRACTING OUT

The next new language requires cost analysis prior to contracting out for goods and services currently provided by D.C. employees.

I assume the Mayor is opposed to that language and the City Council is in favor of approving it?

Ms. O'CONNOR. That is correct.

Ms. BAARS. That is correct.

COUNCIL REVIEW OF CONTRACTS OVER $1 MILLION

Mr. DIXON. And once again, we have language—and there has been a court case as I recall—that adds a new section that requires the Council to review certain contracts over a million dollars.

The Mayor is against that; the City Council is for it?

Ms. BAARS. Yes, sir.

Mr. DIXON. Did the court decide in the Mayor's favor in the case that went to court?

Ms. BAARS. Yes, Mr. Chairman.

As you recall, this matter was before this Committee last year at which time you indicated that you would reconsider it this year after the court had had an opportunity.

And, indeed, the court did rule that, under the very strict reading of our Self-Government Act, the Council could not use a resolution to disapprove of those contracts. What we are talking about are noncompetitive contracts in excess of a million dollars.

The court did not rule, and we do not believe the court even addressed the issue of whether the Council could do this by act. And, in fact, the Council has legislation which requires that they be submitted and approved by act.

What we want to clarify is that we can do it by resolution. And we patterned this language very much on Federal statutes which existed prior to home rule.

And we just think——

Mr. DIXON. Okay. Jim and I will argue about this one, one way or the other.

MAYOR'S VETO OF COUNCIL'S ACTIONS

Ms. O'CONNOR. I would like to just provide you the copy of the veto letters where the legal argument from the Corporation Counsel is laid out to counter Ms. Baars' excellent recitation of her side.

Mr. DIXON. Sure. We will look at it.

Ms. O'CONNOR. I will submit them for the record.

[The letters referred to follow:]

THE DISTRICT OF COLUMBIA
WASHINGTON, D.C. 20004

SHARON PRATT KELLY
MAYOR

April 15, 1993

The Honorable John A. Wilson
Chairman
Council of the District of Columbia
1350 Pennsylvania Avenue, N.W.
Washington, D.C. 20004

Dear Chairman Wilson:

I have reviewed Bill 10-122, the "Fiscal Year 1993 Supplemental Budget and Rescissions of Authority Request Act of 1993," as passed by the Council of the District of Columbia (hereinafter "Supplemental 1993 Budget Request Act"). The purpose of this letter is to formally disapprove the following provision contained in the Supplemental 1993 Budget Request Act which, upon careful consideration, I believe is inappropriate for adoption.

I hereby veto **Section 203**, which provides that "the Council of the District of Columbia may accept and use gifts without prior approval by the Mayor." A similar legislative provision was proposed by the Council in Bill 10-94, the "District Building Designation Emergency Act of 1993" which was vetoed in February. You will recall, however, that I issued simultaneously Mayor's Order 93-14, transferring control of the District Building to the Legislative branch and committing to designate sufficient funds for the continued maintenance and operation of that structure. More importantly, my Order stated that "[d]onations and gifts for the purposes of maintaining and renovating the District Building will be approved and accepted for such stated purpose." I sought in that Mayor's Order to accommodate the concerns of the Council in an open, fair, and forthright manner, and in such a fashion as to be consistent with the District's charter and the traditional and time-honored role of the Executive as the appropriate custodian of all funds donated to or expended by the Government.

Indeed, several citizens and outside groups already have expressed alarm that the broad language of this provision goes well beyond its avowed purpose. Enactment of section 203 could serve to undermine the confidence of our citizens who voted by an approximate margin of 2 to 1 just this past November for Initiative 41,

the referendum which has placed limits on outside funds donated to or raised by elected officials serving this Government. Ratification of section 203 would change our Home Rule Charter (because our budget is an Act of Congress), and obfuscate the clear intent of Initiative 41 -- a result I doubt that the Council contemplated in its deliberations, but well may be a real likelihood nonetheless.

As I stated in my letter vetoing certain sections of Bill 10-121, the "Fiscal Year 1994 Budget Request Act," the budget as presented by the Executive, reflected difficult choices and decisions for District residents, businesses and Government employees. It was developed with a recognition that we, as a government, must seriously commit ourselves to the process of drastically reducing costs, eliminating inefficient ways of providing services and improving management by streamlining and/or restructuring our vast Government.

The Council obviously has given considerable thought to the Executive branch's submittal. Your cooperation and availability throughout this process has been both necessary and beneficial. Even more important, however, has been the participation of District residents who participated in the budget sessions held in each ward of the city during the weeks immediately preceding the formulation of the budget proposals. These residents provided frank dialogue on budgetary priorities and concerns as well as other issues important to them. This input was the most critical component of the Executive's budget development process; it provided vital and constructive direction to me and my Cabinet throughout the preparation of the Executive's proposals. Indeed, it is my intent to duplicate this level of cooperation and community input as we begin to develop a framework for budget implementation.

Again, thank you for your continued cooperation throughout this process. I look forward to your ideas and participation as we move forward together with implementing the provisions of the supplemental 1993 and fiscal year 1994 budgets.

Sincerely,

Sharon Pratt Kelly

THE DISTRICT OF COLUMBIA
WASHINGTON, D.C. 20004

SHARON PRATT KELLY
MAYOR

April 15, 1993

The Honorable John A. Wilson
Chairman
Council of the District of Columbia
1350 Pennsylvania Avenue, N.W.
Washington, D.C. 20004

Dear Chairman Wilson:

I have reviewed Bill 10-121, the "Fiscal Year 1994 Budget Request Act," as passed by the Council of the District of Columbia (hereinafter "Budget Request Act"), including provisions added by the Council relative to public safety, privatization, procurement procedures and other matters. The purpose of this letter is to formally disapprove specific items or provisions contained in the Budget Request Act which, upon careful consideration, I believe are inappropriate for adoption.

I hereby veto **Section 131** (Section 203 in 1993), which provides that "the Council of the District of Columbia may accept and use gifts without prior approval by the Mayor." A similar legislative provision was proposed by the Council in Bill 10-94, the "District Building Designation Emergency Act of 1993" which was vetoed in February. You will recall, however, that I issued simultaneously Mayor's Order 93-14, transferring control of the District Building to the Legislative branch and committing to designate sufficient funds for the continued maintenance and operation of that structure. More importantly, my Order stated that "[d]onations and gifts for the purposes of maintaining and renovating the District Building will be approved and accepted for such stated purpose." I sought in that Mayor's Order to accommodate the concerns of the Council in an open, fair, and forthright manner, and in such a fashion as to be consistent with the District's charter and the traditional and time-honored role of the Executive as the appropriate custodian of all funds donated to or expended by the Government.

Indeed, several citizens and outside groups already have expressed alarm that the broad language of this provision goes well beyond its avowed purpose. Enactment of section 131 could serve to

undermine the confidence of our citizens who voted by an approximate margin of 2 to 1 just this past November for Initiative 41, the referendum which has placed limits on outside funds donated to or raised by elected officials serving this Government. Ratification of section 131 would change our Home Rule Charter (because our budget is an Act of Congress), and obfuscate the clear intent of Initiative 41 -- a result I doubt that the Council contemplated in its deliberations, but well may be a real likelihood nonetheless.

Further, I am vetoing **Section 135**, which requires the Mayor to submit revised contracting procedures which provide for (1) "a cost analysis comparing the in-house costs of providing the service with the costs associated with contracting for the service for each contract proposed;" (2) evidence that "contracting out will provide savings over the duration of the contract of at least 10 percent;" and (3) a provision that "any contractor who is awarded a contract that displaces District government employees" shall offer "comparable employment to these displaced employees at rates of wages and benefits that are comparable to the wages and benefits paid to District government employees."

While I applaud the spirit of this provision, section 135 uses an overly severe mechanism to accomplish its objective when more modest means would suffice. The Budget Request Act that I submitted to the Council contains an extensive discussion of circumstances under which contracting out may be permissible. Briefly, contracting out will be considered only after: (1) identification of a potential function to be contracted out; (2) evaluation of the existing Government-based program (utilizing a comprehensive series of factors); (3) a preliminary cost comparison of the existing program versus the estimated costs of contracting out, using a wide assortment of cost factors; and (4) consultations with appropriate employee representatives. Additionally, section 135 is incongruous with provisions of the Service Contract Act, 41 U.S.C. §351, *et seq.*. This statute applies to all District Government contracts for services in excess of $2,500 and provides that the contractor shall pay wages and salaries "in accordance with prevailing rates for such employees in the locality, or, where a collective-bargaining agreement covers any such service employees, in accordance with the rates for such employees provided for in such agreement." 41 U.S.C. §351(a)(1).

I am also vetoing **Section 136**. This section prohibits the Mayor from awarding certain contracts "until after the Council has approved the proposed contract award" as stipulated in the provisions of this section. I disapprove and therefore veto section 136 as beyond the legislative authority of the Council to enact. Section 136 provides that the Mayor shall not award certain

types of procurement contracts until after the Council has had an opportunity to approve or disapprove such contracts by resolution. Section 136 is substantially similar to Section 3 of D.C. Law 8-257 (the Acquisition of Space Needs for District Government Officers and Employees Act of 1990) and Section 2 of D.C. Act 9-84 (the District of Columbia Procurement Practices Act of 1985 Council Contract Approval Procedures Emergency Amendment Act of 1991). In Wilson v. Kelly, 615 A.2d 229 (D.C. 1992), *petition for rehearing en banc denied* April 1, 1993, the District of Columbia Court of Appeals affirmed the Superior Court's ruling that section 3 of D.C. Law 8-257 and section 2 of D.C. Act 9-84, exceeded the Council's authority under section 412(a) of the Self-Government Act, D.C. Code § 1-229(a), and therefore violated the separation of powers structure established by Congress in the District Charter provisions of the Self-Government Act.

I veto section 136 for a second reason. If section 136 were enacted by Congress, it would have the effect of amending section 412(a) of the District Charter, although the wording of Section 412(a) would not be altered. I oppose these repeated attempts, now coming all too frequently, to alter the separation of powers structure established in the District Charter by inserting into budget request acts amendments to other District laws.

If the District Charter is to be amended, the amendment ought to be accomplished in a direct, straightforward manner, either by the U.S. Congress with the concurrence of the Mayor and the Council, as occurred in the case of the 1984 "Chadha" amendments to section 412(a), or through the Charter amendment procedure set forth in section 303 of the Self-Government Act, D.C. Code § 1-205.

As you know, the budget as presented by the Executive, reflected difficult choices and decisions for District residents, businesses and Government employees. It was developed with a recognition that we, as a government, must seriously commit ourselves to the process of drastically reducing costs, eliminating inefficient ways of providing services and improving management by streamlining and/or restructuring our vast Government.

The Council obviously has given considerable thought to the Executive branch's submittal. Your cooperation and availability throughout this process has been both necessary and beneficial. Even more important, however, has been the participation of District residents who participated in the budget sessions held in each ward of the city during the weeks immediately preceding the formulation of the budget proposals. These residents provided frank dialogue on budgetary priorities and concerns as well as

other issues important to them. This input was the most critical component of the Executive's budget development process; it provided vital and constructive direction to me and my Cabinet throughout the preparation of the Executive's proposals. Indeed, it is my intent to duplicate this level of cooperation and community input as we begin to develop a framework for budget implementation.

Again, thank you for your continued cooperation throughout this process. I look forward to your ideas and participation as we move forward together with implementing the provisions of the fiscal year 1994 budget.

Sincerely,

Sharon Pratt Kelly

BLUE CROSS-BLUE SHIELD

Mr. DIXON. As I recall, there was a hearing in the Senate dealing with the financial status of Blue Cross-Blue Shield that serves this general region. And at that hearing, the D.C. Superintendent of Insurance told the Senate that he didn't have any jurisdiction over Blue Cross. So the Senate Committee asked us to include the appropriate language to give the D.C. Insurance Superintendent jurisdiction over the local Blue Cross.

Migo tells me that the authorizing committee planned to pass some legislation to give the District permanent jurisdiction but that has not occurred. It would seem to me that we could easily reach a consensus, and until there is some other legislation, the language would remain in the bill.

But, yet, I notice here that there is a request to delete the language.

Ms. BAARS. The reason for that is that this was an actual amendment to the law. This actually is not just tied to the fiscal year. This amends an act of the D.C. Code by inserting these sections and repealing other sections. So it was a substantive amendment.

It is already accomplished in the sense that this was one of the substantive provisions that you have included in the——

Mr. DIXON. It has become a permanent law?

Ms. BAARS. Yes.

Mr. DIXON. Is that right? Well if you are correct. Okay.

So you are saying there is no need for this language because it is permanent law.

And then if there is some subsequent legislation, that would take its place?

Ms. BAARS. That is correct.

Mr. DIXON. Jim, on any of these language changes on page 2?

Mr. WALSH. No questions.

Mr. DIXON. Well, thank you, ladies, for coming up today.

CONCLUSION OF FY 1994 D.C. BUDGET HEARINGS

This concludes our hearing on the District of Columbia budget for 1994.

I certainly want to thank all of those who participated. And my notes say, Jim, that we are going to try to do a markup on Tuesday, June 15th, which is a week from yesterday. So I will talk with you soon, so we can discuss these issues.

Anyone else have any final word that you would like to say?

Mr. WALSH. Thank you for your testimony.

Mr. DIXON. Thank you, ladies, for coming up today.

THANKS TO MARY PORTER

And as usual we want to thank Mary Porter for keeping everything in good order. Mary is the glue that keeps everything together and we are very appreciative.

The Committee will adjourn until 11:00 a.m. Tuesday, June 15th, when we will meet to markup the District's fiscal year 1994 appropriations bill.

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